

St Johns Ambulance Australia (Victoria) Inc.
 Stacey's Bridge Public Hall Reserve Committee of Management Inc.
 Stratford and District Historical Society
 Stratford Recreation Reserve
 Stratford Tennis Club
 Wellington BBBQ Inc.
 Wellington Disability Transition Network
 Wildlife Rescue & Protection Inc.
 Wines of East Gippsland
 Wonyip Excelsior Hall
 Woodside Beach Surf Life Saving Club
 Yarram Carers Inc.
 Yarram Recreation Reserve Inc.
 Master Quinn Wade
 Master Cohen Wade
 Master Darcy Wade
 Maddison Schleifer
 Cameron Green
 Elizabeth Webb
 Rebecca Ingram
 Ryan Hall
 Keturah Phelps
 Gabriella Heathcote
 Solomon Jones
 Jo O'Doherty

Community Assistance Grants 2015-2016

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

Airly Clydebank Hall
 Balook & District Residents Association
 Boisdale Briagolong Cricket Club
 Boisdale Briagolong Football Netball Club
 Boisdale Stables Committee
 Briagolong Mechanics' Institute Hall Committee
 Bug Blitz Trust
 Bundalaguah Hall Committee
 City of Sale Eisteddfod Inc.
 Dargo Public Hall & Recreation Reserve Committee Inc.
 DWWWW Football Netball Club Inc.
 Gippsland Woodcraft Group Inc., Nambrok
 Glenmaggie & District Boat Club
 Glenmaggie Mechanics' Institute
 Golden Beach Community and Open Garden
 Golden Paradise Beach Ratepayers and Residents Association
 Gormandale Community House & Learning Centre
 Heyfield & District Playgroup

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Heyfield & District Vintage Machinery Group Inc.
 Heyfield Community Resource Centre
 Heyfield Traders & Tourism Association
 Heyfield Wetlands Inc.
 Lake Glenmaggie Community Representative Group Inc.
 Loch Sport Community House Inc.
 Loch Sport Public Hall Committee of Management
 Longford Family Fun Day Subcommittee
 Longford Tennis Club
 Maffra Agricultural Society
 Maffra Community House
 Port Albert Progress Association Inc.
 Rotary Club of Sale Central
 Sale Amateur Basketball Association
 Sale Baptist Church
 Sale Croquet Club Inc.
 Sale Historical Society
 Sale Swimming Club
 Seaspray Centenary Committee
 Segue Community Hub & Arts Café
 Stratford on Avon Shakespeare Association
 Tarra Festival Committee Inc.
 The Sale Music Festival - Picnic on the Green
 Upper Maffra Mechanics Institute (Newry Hall)
 Valencia Soldiers Memorial Hall Committee of Management
 Wellington Primary Care Partnership
 Woodside & District Football Netball Club
 Woodside Beach Surf Life Saving Club Inc.
 Yarram Agricultural Society
 Yarram Combined Churches Committee
 Yarram Eisteddfod Inc.

6.5.4 Support for community committees

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

Recreation Facilities

Alberton West Recreation Reserve Committee
 Boisdale Recreation Reserve
 Briagolong Recreation Reserve
 Cowwarr Recreation Reserve Committee
 Gormandale Recreation Reserve Committee
 Meerlieu Public Hall & Recreation Reserve
 Nambrok Public Hall & Recreation Reserve Committee
 Newry Recreation Reserve
 Rosedale Racecourse Reserve Committee
 Seaspray Reserves Committee of Management
 Woodside Recreation Reserve
 Wurruk Cricket Club

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Binginwarri Hall & Recreation Reserve Committee
Devon North Community Reserve
Denison Recreation Reserve Committee
Tarraville Recreation Reserve Committee
Pinelodge - Cricket Oval
Won Wron Recreation Reserve

Sporting Facilities

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

Cultural / Non-Sporting Facilities

Maffra Memorial Hall
Sale Memorial Hall
Yarram Regent Theatre
Briagolong Mechanics Hall
Heyfield War Memorial Hall
Longford Hall & Recreation Reserve Committee
Stratford Mechanics Hall
Airlie-Clydebank Hall
Boisdale Public Hall
Bundalaguah Myrtlebank Hall
Carrajung Community Group - Carrajung Memorial Park
Cobains Public Hall
Coongulla Reserves Committee
Devon North Public Hall
Gippsland Regional Maritime Museum (Port Albert Maritime Museum)
Golden/Paradise Beach Community Centre
Gormandale Community House
Licola Public Hall - CFA
Loch Sport Public Hall
Maffra & District Historical Society (Sugar Beet Museum)
Maffra Guide Hall
Maffra Senior Citizens Centre
Munro Public Hall
Newry Community Tennis & Parklands
Port Albert Mechanics Institute
Port Albert Water Sports & Safety Centre
Princes Highway Reserve Inc.
Sale Band Hall
Sale Guide Hall
Sale Neighbourhood House

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Sale Scout Hall
 Sale Senior Citizens Centre
 St Johns Ambulance Hall
 Stratford Senior Citizens Centre
 Valencia Soldiers Memorial Hall
 Veronica Maybury Recreation Reserve
 Won Wron Hall
 Woodside Public Hall
 Yarram Community Learning Centre
 Yarram Mechanics Hall (Scout Association of Australia)
 Yarram Senior Citizens Centre
 Stratford on Avon Shakespeare Association - Dixon St
 Sale Historical Society (Museum)
 Sale Historical Society (Powder Magazine)
 Avon Landcare Group - Dixon St

Crown Properties

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

6.5.5 Citizenship

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

6.5.6 Civic Receptions

A total of eight Civic Receptions were conducted during the last 12 months, with a number of very significant events being celebrated.

It was pleasing to note that our annual reception for New Professionals in April was well attended by over 100 people from across a variety of businesses. Also very popular was the annual announcement of our Wellington Shire Citizen of the Year, Young Citizen of the Year, Group of the Year and Event of the Year at a luncheon which again recognised not only all the nominees, but also the wonderful people that nominated each of candidates.

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



WELLINGTON SHIRE COUNCIL

Performance Statement

For the year ended 30 June 2016

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Performance Statement

For the year ended 30 June 2016

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

Sustainable Capacity Indicators

For the year ended 30 June 2016

Indicator measure	Results		Material Variations
	2015	2016	
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,776.84	1,717.79	Council's total expenses were \$72,087,000 during 2015/16, which equates to \$1,717.79 being spent per Wellington Shire resident.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$18,726.79	\$19,099.08	Wellington Shire Council's infrastructure was valued at a total of \$801,493,000 during the 2015/16 financial year. That equates to a total value of \$19,099.08 infrastructure per head of the municipality's population.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	13.61	13.52	There are 3,104km of sealed and unsealed local roads for an estimated municipal population of 41,965 within Wellington Shire.
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,394.98	\$1,475.59	Additional own source revenue received in 2015/16 included revenue from new animal registration fees, revenue from a combined service agreement with East Gippsland Shire Council and increased commercial tipping fees.
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$503.48	\$293.24	On 30 June 2015, the Commonwealth Government remitted an advance payment of \$6.07 million for the 2015/16 Financial Assistance Grants, which overstated the 2014/15 indicator and also results in a corresponding understatement of the 2015/16 indicator.
Disadvantage			
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	4	4	The Australian Bureau of Statistics (ABS) index of relative socio-economic disadvantage indicates that one is the most disadvantaged and ten is the least disadvantaged. Wellington Shire's result is four.

Definitions

"adjusted underlying revenue" means total income other than:

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

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

Service Performance Indicators

For the year ended 30 June 2016

Service/Indicator Measure	Results		Material Variations
	2015	2016	
Aquatic facilities			
Utilisation			
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.55	4.75	The estimated population of Wellington Shire is 41,965. The total visits to Council's indoor and outdoor aquatic facilities for 2015/16 was 199,337, which equates to an average of almost five visits per Wellington Shire resident for the year.
Animal management			
Health and safety			
Animal management prosecutions [Number of successful animal management prosecutions]	11	4	During 2015/16, Council undertook four animal management prosecutions, all of which were successful. The relatively low number of animal prosecutions undertaken by Council indicates the effectiveness of its ongoing animal management education program.
Food safety			
Health and safety			
Critical and major non-compliance notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	Council is committed to minimising threats to public health and has developed a proactive health promotions and education program for major-noncompliance food premises.
Governance			
Satisfaction			
Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	58	56	Council's participation in the 2015 Community Satisfaction Survey showed a 56% community satisfaction rating with the way Council has performed in making decision in the interests of the community. Though there is a slight decline in this rating, Council is still performing six points higher than large rural average and two points higher compared to State wide average.

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Service/indicator Measure	Results		Material Variations
	2015	2016	
Home and community care			
Participation			
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	-	-	The Wellington Shire council is not directly responsible for the delivery of Home and community care service, so there is no performance data available for these indicators.
<i>Participation</i> <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	-	-	
Libraries			
<i>Participation</i> <i>Active library members</i> [Number of active library members / Municipal population] x100	15.41%	13.42%	Wellington Shire Libraries offer a broad range of popular programs including author talks, baby rhyme times, and toddler story time and school holiday programs. These are well attended by library members and non-members within the municipality. Council continues to actively promote library membership across all sectors of the community.
Maternal and child health			
Participation			
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	-	-	The Wellington Shire council is not directly responsible for the delivery of Maternal and child health service, so there is no performance data available for these indicators.
<i>Participation</i> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	-	-	

Service/Indicator Measure	Results		Material Variations
	2015	2016	
Roads			
Satisfaction			
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	52	53	Results from the 2015 Community Satisfaction Survey show an increase in residents' satisfaction rating for Wellington Shire's sealed local roads to 53% which is significantly higher than the average for similar large rural councils. Council is responsible for a road network of 3,104 km, of which 1,506 km are sealed.
Statutory Planning			
Decision making			
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100%	100%	In 2015/16 two planning application decisions were subject to a review by VCAT and, in both instances, Council's decision was upheld.
Waste Collection			
Waste diversion			
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	34.61%	32.10%	Over 3,400 tonnes of recycling waste was diverted from landfill in 2015/16 which is a slight decrease compared to 2014/15. That's an average of 179kg of recycling waste per household in Wellington Shire.

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

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

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

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

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

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

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

"food premises" has the same meaning as in the *Food Act 1984*

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

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

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

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

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

For the year ended 30 June 2016

Dimension/indicator Measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Efficiency							
Revenue level							
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,114.95	1,177.97	\$1,251.13	\$1,305.15	\$1,370.65	\$1,434.12	A higher than expected number of supplementary valuations relating to residential properties were processed in 2015/16 compared to 2014/15 resulting in additional rates and charges raised. This increase was partly offset by a number of vacant blocks transferred to Council as part of the Wellington Coastal Strategy, Ninety Mile Beach Plan Voluntary Assistance program.
Expenditure level							
Expenses per property assessment [Total expenses / Number of property assessments]	\$2,181.33	2,103.93	\$2,322.26	\$2,378.07	\$2,424.99	\$2,472.12	This measure is forecast to increase by \$370 per assessment by 2020. This increase reflects the inclusion of a CPI increase over the period with 2016/17 impacted by large one – off projects. Council is well below other similar councils for expenses per property assessments.
Workforce turnover							
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	9.39%	13.14%	10.95%	10.00%	10.00%	10.00%	A slight increase in resignations and terminations in 2015/16 due to a higher number of planned staff retirements and couple of redundancies as a result of review in positions. Four full time staff who converted into casuals are also included in the result as casual positions are excluded from the calculation. Long term average for number of resignations and terminations is approximately 30 per year or 10%. No increase in staff numbers are anticipated in the forecast based on the current organisational structure.

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Dimension/Indicator Measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Liquidity							
Working capital							
Current assets compared to current liabilities [Current assets / Current liabilities] x100	321.14%	382.82%	286.78%	300.53%	250.42%	269.83%	Council's liquidity has improved ahead of a planned increase in capital works for 2016/17. Project timing has seen deferral of commitment and reduced creditors at balance date.
Unrestricted cash							
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	156.80%	226.46%	229.29%	240.00%	201.78%	221.96%	Conditional grants unspent are \$6.7 million lower from 2014/15 resulting in increased unrestricted cash in 2015/16. Payables and loan balances are also lower compared to 2014/15.
Obligations							
Asset renewal							
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	69.40%	80.21%	137.33%	90.37%	109.75%	122.23%	The improvement in this measure recognises Council's emphasis on reducing the asset renewal gap, which is being assisted by successful receipt of grant funding for projects such as the Yarram Streetscape renewal (completed 2015/16), Port of Sale Precinct (commenced 2015/16 and expected completion in 2017/18) and increased renewal of roads and bridges (funded by increased Roads to Recovery allocation).
Loans and borrowings							
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	26.58%	19.61%	19.75%	18.86%	19.33%	15.03%	The reduction in this measure relates to Council not requiring proposed borrowings in 2015/16 of \$1.89 million and deferring \$1.3 million to 2016/17. Over the next four years Council will continue to construct a number of key residential street schemes, funded by borrowings which will be repaid over time by ratepayers benefitting from the works.

Dimension/Indicator Measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Loans and borrowings							
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	7.33%	7.05%	3.69%	2.58%	1.78%	6.78%	Existing Council loans will be progressively repaid over the next three years. In 2019/20 Council plans to partly repay the principal owing on an interest only loan.
Indebtedness							
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	20.36%	17.40%	18.37%	18.25%	14.02%	14.55%	The reduction in this measure mainly results from an increase in 2015/16 own source revenue associated with new sources of income and increased rates and charges and commercial tipping fees, along with a minor decrease in non-current liabilities (reduced loan payments). This measure compared to other similar councils (2015-31.34%) is significantly lower, indicating Council is in a strong position to cover non-current liabilities.
Operating position							
Adjusted underlying result							
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	8.46%	3.63%	9.94%	1.99%	5.00%	5.69%	The fluctuation between 2014/15 and 2015/16 is the result of the early receipt of 2015/16 funds in 2014/15. This measure is predicted to rise in 2016/17 due to additional Roads to Recovery funding. aselak

Dimension/Indicator Measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Stability							
Rates concentration							
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	60.27%	69.10%	62.54%	69.00%	68.45%	69.36%	This measure has also been impacted by the unexpected receipt of funding in 2014/15, generating higher than expected adjusted underlying revenue for 2014/15.
Rates effort							
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.54%	0.56%	0.56%	0.58%	0.59%	0.61%	This measure is forecast to remain steady over the next four years.

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Other Information

For the year ended 30 June 2016

1. Basis of preparation

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

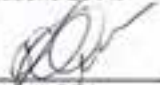
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

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

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

Certification of the Performance Statement

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



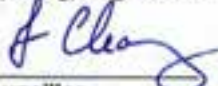
Ian Carroll CPA
Principal Accounting Officer
Dated: 20/9/16

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

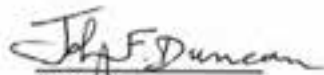
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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


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



Councillor
Peter Cleary
Dated: 20/9/16



Councillor
John F. Duncan
Dated: 20/9/2016





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

Sale Service Centre
18 Desaily Street (PO Box 505), Sale Victoria 3850
Telephone 1300 366 244

Yarum Service Centre
156 Grand Street, Yarum Victoria 3971
Telephone 03 5182 5100

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

  **You Tube**
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Melbourne VIC 3000
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Facsimile 61 3 8601 7010
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Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Wellington Shire Council

The Performance Statement

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

The Councillors' Responsibility for the Performance Statement

The Councillors of the Wellington Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

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

MELBOURNE
22 September 2016


Andrew Greaves
Auditor-General

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016



Financial Statements

Wellington Shire Council
Financial Report
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Financial Statements

COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

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

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

BALANCE SHEET
AS AT 30 JUNE 2016

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

The above balance sheet should be read with the accompanying notes

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

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

		2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and Charges		51,269	48,619
Statutory fees and fines		466	566
User fees		6,668	5,937
Grants - operating		8,569	21,510
Grants - capital		7,370	5,327
Contributions -monetary		460	463
Interest received		1,256	1,251
Trust Funds and deposits taken		7,738	7,372
Other receipts		1,738	1,752
Goods and Services Tax Collected	1(i)	789	774
Goods and Services Tax Refunds from the Australian Taxation Office	1(i)	3,929	4,092
Employees costs		(23,590)	(22,390)
Material and services		(26,691)	(26,835)
Trust Funds and deposits repaid		(7,789)	(7,286)
Other payments		(643)	(730)
Goods and Services Tax Paid to Suppliers	1(i)	(4,718)	(4,805)
Net cash provided by operating activities	28	26,821	35,557
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	21	(23,981)	(24,381)
Proceeds from sale of property, infrastructure, plant and equipment	8	988	613
Payments for investments		(132,971)	(89,154)
Proceeds from sale of investments		111,791	69,892
Net cash used in investing activities		(44,173)	(43,030)
Cash flows from financing activities			
Finance costs		(652)	(773)
Repayment of borrowings		(2,990)	(2,847)
Net cash provided by/(used in) financing activities		(3,642)	(3,620)
Net increase/(decrease) in cash and cash equivalents		(20,994)	(11,093)
Cash and cash equivalents at the beginning of the financial year		25,096	36,189
Cash and cash equivalents at the end of the financial year		4,102	25,096
Financing arrangements	29		
Restrictions on cash assets	16		

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

STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30 JUNE 2016

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

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

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

INTRODUCTION

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

STATEMENT OF COMPLIANCE

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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

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

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

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

(b) Change in accounting policies

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

(c) Committees of management

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

(d) Revenue recognition

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

Rates and Charges

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

Statutory fees and fines

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

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Revenue recognition (cont'd)

User fees

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

Grants

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

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

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other income

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

(e) Fair value measurement

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

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

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

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

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

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

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

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

(f) Cash and cash equivalents

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

(g) Trade and other receivables

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

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Other financial assets

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

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

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

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

Acquisition

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 21, Property, infrastructure, plant and equipment.

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

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

Land

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

Art Gallery Works

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

Buildings and Structures

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

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTD)

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

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

Land under roads

Council recognises land under roads it controls at fair value.

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

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

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

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

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

ASSET TYPE	Depreciation Period	Threshold Limit \$
Property		
Land	-	All
Land Improvements	5	All
Buildings		
Heritage Buildings	20-100 years	>\$10,000
Buildings	20-100 years	>\$10,000
Plant and Equipment		
Plant, Machinery and Equipment	3-15 years	>\$3,000
Fidures, 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	50	All
Road Substructure	Indefinite	All
Road Kerb, Channel and Minor		
- Road Kerb and Channel	70	All
- Road Minor Culverts and	100	All
Bridges		
- Concrete		
- Deck and Substructure	100	All
- Floodways and Major Culverts	100	All
- Timber		
- Deck and Substructure	60	All
- Floodways and Major Culverts	100	All
Footpaths and Cycleways		
- Asphalt / Bitumen	15	All
- Concrete / Paved	60	All
- Gravel / Sand	10	All
- Unconstructed	100	All
Drainage		
- Pump Wells	20	All
- Other Drainage	20 - 100	All
- Open Drain - Earth/Retention	Indefinite	All
Recreational, Leisure and Community Facilities	10 - 100 years	>\$5,000
Waste Management	20 - 100 years	>\$5,000
Parks, Open Space and	10 - 120 years	>\$5,000
Off Street Car Parks	30 - 100 years	>\$5,000
Aerodromes	20 - 120 years	>\$5,000
Intangible Assets		
Landfill Airspace	5 - 38 years	All
Software	3-10 years	>\$1,000

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Repairs and Maintenance

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

(m) Impairment of assets

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

(n) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 24).

(o) Borrowings

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

Borrowing costs

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

Borrowing costs include interest on bank overdrafts, interest on borrowings and finance lease charges.

(p) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Long service leave

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

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

The components of this current liability are measured at:

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

Classification of employee costs

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

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

Sick Leave Gratuity

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

(q) Provision for Doubtful Debts

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

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

(r) Landfill rehabilitation provision

Under Environment Protection Authority (EPA) legislation Council is obligated to restore licensed landfill sites to a particular standard. Current projections have been taken into account in determining when the 3 licensed landfills at Kilmory, Longford and Maffra will cease operation and the timing of restoration work. The forecast lives of these sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works is based on current understanding of work required to reinstate the site to a suitable standard, acceptable to the EPA. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, the volume of work required and related costs.

(s) Leases

Finance leases

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

Operating leases

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

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) 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.

(y) 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.

(z) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 33 Contingent Assets and Liabilities

(aa) 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.

(ab) Pending accounting standards

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

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

(x) Effects of corrections of errors on prior year

These include:

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

Rounding

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

Notes to the Financial
For the Year Ended 30 June 2016

NOTE 2 BUDGET COMPARISON

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$800,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 16 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

a) Income and Expenditure

	*Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Income				
Rates and charges	51,373	51,890	317	
Statutory fees and fines	525	466	(59)	1
User fees	5,813	6,410	597	2
Grants - operating	13,647	8,046	(5,601)	3
Grants - capital	5,710	6,744	1,034	4
Contributions - monetary	486	350	(136)	5
Contributions - non monetary	-	5,934	5,934	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	236	243	7	
Other income	2,492	3,405	913	7
Total income	80,282	83,288	3,006	
Expenses				
Employee costs	24,327	23,748	579	
Materials and services	30,400	25,195	5,205	8
Bad and doubtful debts	111	70	41	9
Depreciation and amortisation	22,155	21,102	1,053	10
Borrowing costs	731	649	82	11
Other expenses	674	1,323	(649)	12
Total expenses	78,398	72,087	6,311	
Surplus/(deficit) for the year	1,884	11,201	9,317	

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

Notes to the Financial
For the Year Ended 30 June 2016

NOTE 2 BUDGET COMPARISON (CONTD)

(i) Explanation of material variations

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

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

NOTE 2 BUDGET COMPARISON (CONTD)

b) Capital Works

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

* This budget comparison excludes Intangibles

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

NOTE 2 BUDGET COMPARISON (CONT'D)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Unexpected purchase of land funded from the Asset Improvement Reserve.
2	Buildings	The Port of Sale Cultural Hub Redevelopment Project (\$2.63 million) was delayed due to design and community consultation issues, this is a multi year project. The Construction contract is to be awarded in August 2016. Final works were completed on the Yarram District Hub \$198k and the Desailly Street - Corporate Headquarters \$96k, these funds were carried forward from the previous financial year.
3	Plant, machinery and equipment	The purchase of two trucks were delayed in 2014/15 due to extended delivery times, these items were both purchased in 2015/16 with carried forward funds.
4	Roads	An additional \$1.05 million of Roads to Recovery grant funding was received in late 2015, several projects were brought forward from future programs to utilise these funds. While Cunningham Street Reconstruction (\$631k) has commenced, the Simpson and Pearson Street residential street construction scheme was adopted by Council in April 2016, construction is planned to commence in October 2016. These projects are Special Charge Schemes which have a long lead time due to statutory requirements and require stakeholder engagement and approval. The annual reveals program delivered (\$476k) in savings after completion of the programed works. Brewers Hill Road reconstruction in Maffra (\$202k) was delayed due to wet weather hampering progress and an additional Roads to Recovery funding allocation increasing the original scope of the project.
5	Bridges	The funding application for Marfields footbridge (\$570k) was unsuccessful and therefore the project did not commence, another application will be made for in 2016/2017. The Park Street Bridge (\$250k) was delayed, this is an auxiliary project to the Port of Sale Cultural Hub Redevelopment and commencement is dependent upon the commencement of the overall precinct development.
6	Footpaths and cycleways	Within the Footpaths and Shared Paths annual program (\$333k), expenses for the Queens Street Roundabout in Maffra was combined with the larger project and moved to Roads. The remaining underspend is minor works on service authority pit lid realignments for Tarraville Road, Port Albert to be completed early 2016/17. The New Shared Paths program (\$249k) was a combination of a few small projects which were all completed below the cost originally estimated.
7	Recreational, leisure and community facilities	The Stephenson Park Power Supply upgrade (\$278k) is a multi year project. The project required extensive consultation with the various user groups to scope up the electricity supply requirements to equitably contribute to ongoing supply charges. The successful electrical contractor installing the lights underestimated the procurement time to obtain and erect the light towers and lights and the project will overrun by two months. Regional Aquatic Complex - 25M Pool Heating project (\$242k) was delayed and rescope in accordance with the Aquatic Strategy which was completed in December 2015. Gordon Street Recreation Reserve Clubrooms Redevelopment (\$199k) had design issues which delayed commencement.
8	Parks, open space and streetscapes	The Sale CBD Infrastructure Renewal Program (\$750k) was made up of two key projects. Macarthur Street, where no tenders were received the first time this package was advertised and had to be retendered. The Desailly, Cunningham, Macalister Street package of works was tendered in May without a successful contractor being appointed. It will now be re-advertised. Commercial Road Streetscape Improvements are ongoing, the annual budget allocation was 75% spent, with the remainder (\$355k) now expected to be spent in 2016/17. It was delayed due to extensive consultation with the community prior to advertising and awarding a contract. Rosedale Streetscape project (\$350k) also required extensive consultation with the community and will be advertised in August 2016. A contract for the Water Bore & Irrigation project at the Cameron Sporting Complex (\$178k) was awarded to enable works to be completed December 2015. The contractor performed poorly. The bore was not able to achieve anticipated flow rates and as a result the bore is being reworked.

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

	2016	2015
	\$'000	\$'000

NOTE 3 RATES AND CHARGES

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its total land and improvements value.

The valuation base used to calculate general rates for 2015/2016 was \$9,135 million (2014/2015 \$8,985 million). The 2015/2016 general rate in the CIV dollar was 0.005362 (2014/2015, 0.005182) and farm rate 0.0041290 (2014/2015, 0.004145).

General Rates	40,408	44,073
Waste management charge	3,258	3,130
Service rates and charges	1,343	1,242
Supplementary rates and rate adjustments	517	870
Cultural and recreational	74	77
TOTAL RATES AND CHARGES	51,698	49,392

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

NOTE 4 STATUTORY FEES AND FINES

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

NOTE 5 USER FEES

Waste management services	2,483	2,404
Leisure centres	2,091	2,116
Registration and other permits	735	602
Entertainment Centre	361	378
Other fees and charges	484	343
Emergency Management Works	101	100
Caravan Parks	74	98
Animal Services	81	72
TOTAL USER FEES	8,416	8,113

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

	2016 \$'000	2015 \$'000
NOTE 6 GRANTS		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	10,550	20,150
State funded grants	4,240	6,082
TOTAL GRANTS	14,790	26,232
Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission	5,952	18,270
Roads to recovery	95	-
Recurrent - State Government		
Property Valuation	344	30
Libraries	309	302
Rural access and Transport connection	223	223
Municipal emergency	210	149
Cultural Services	208	221
Parks and Environmental services	95	84
State emergency services	75	75
School crossing supervisors	69	77
Environmental health	60	74
Fire Service Property Levy	55	53
Senior citizens	54	51
Community support programs	35	40
Other	19	14
Economic Development	-	10
Total recurrent operating grants	7,893	19,673
Non Recurrent - State Government		
Community support programs	122	3
Community and Recreation facilities upgrade	118	306
Other	31	-
Environmental health	23	23
Economic Development and Tourism	17	15
Municipal emergency	9	135
Natural disaster funding	(77)	490
Parks and Environmental services	-	11
Wellington coastal subdivision strategy	-	500
Total non-recurrent operating grants	243	1,485
Total operating grants	8,136	21,158

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

	2016 \$'000	2015 \$'000
NOTE 6 GRANTS (CONT'D)		
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	4,503	1,627
Total recurrent capital grants	4,503	1,627
Non-recurrent - State Government		
Other infrastructure	663	550
Recreational leisure and community facilities	470	619
Bridges	432	-
Recreational leisure and streetscapes	424	456
Footpaths and cycleways	94	188
Waste Management	84	21
Parks, open space and streetscapes	33	119
Plant, machinery and equipment	24	2
Library Books	12	10
Buildings	-	1,484
Roads	5	-
Total non-recurrent capital grants	2,341	3,449
Total capital grants	6,744	5,076
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	6,292	6,278
Received during the financial year and remained unspent at balance sheet date	1,380	2,808
Received in prior years and spent during the financial year	(1,759)	(2,854)
Balance at year end	5,913	6,232
NOTE 7 CONTRIBUTIONS		
Monetary	350	339
Non-monetary	5,934	1,589
TOTAL CONTRIBUTIONS	6,284	1,928
<i>Contributions of non monetary assets were received in relation to the following asset classes:</i>		
Land	153	447
Land under roads	50	12
Buildings	-	189
Infrastructure	5,731	937
Art Works	-	4
	5,934	1,589
Unspent monetary contributions received on condition that they be spent in a specific manner		
Balance at start of year	167	226
Received during the financial year and remained unspent at balance sheet date	47	46
Received in prior years and spent during the financial year	(97)	(105)
Balance at year end	117	167
NOTE 8 NET GAIN(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT		
Disposal of Plant and Equipment		
Proceeds of Sale	988	613
Written down value of assets disposed	(745)	(790)
TOTAL NET GAIN(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	243	(177)

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

	2016 \$'000	2015 \$'000
NOTE 9 OTHER INCOME		
Interest on Investments	1,256	1,251
Other rent	871	602
Recognition of Assets	411	-
Donations	325	510
Interest on Debtors	317	335
Insurance Recovery	190	118
Miscellaneous Income	35	186
TOTAL OTHER INCOME	3,405	3,002

NOTE 10(a) EMPLOYEE COSTS		
Wages and salaries	19,218	18,843
Superannuation	1,900	1,872
Casual staff	1,435	1,166
WorkCover	541	418
Other	367	388
Fringe benefits tax	227	219
TOTAL EMPLOYEE COSTS	23,748	22,906

NOTE 10(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)
Employer contributions - other funds

232	225
-	-
232	225

Employer contributions payable at reporting date

- -

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)
Employer contributions - other funds

1,198	1,092
534	520
1,732	1,612

Employer contributions payable at reporting date

- -

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

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

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

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

	2016 \$'000	2015 \$'000
NOTE 16 CASH AND CASH EQUIVALENTS		
Cash on hand	5	5
Cash at bank	1,250	6,336
Term deposits	2,847	18,755
TOTAL CASH AND CASH EQUIVALENTS	4,102	25,096

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

Trust funds and deposits (Note 24)	629	789
Unexpended grants and contributions (Note 6 & 7)	1,427	2,914
Prior years unexpended grants and contributions (Note 6 & 7)	4,603	3,733
Other non discretionary reserves (Note 27(b))	1,041	845
Total restricted funds	7,700	8,261
Total unrestricted cash and cash equivalents	(3,598)	16,835

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

Cash held to fund carried forward capital works/operating projects	6,108	4,319
Cash held in relation to the Victoria Grants Commission advance to fund general operations and roads works	-	6,073
Discretionary reserves (Note 27(b))	5,658	6,203
Total funds subject to intended allocations	11,766	16,595

In addition to the 2015/16 total cash of \$4.1 million, Council has \$40.4 million of funds invested in longer term deposits (greater than 90 days) which therefore must be recognised as other financial assets. These funds are available to cover amounts required for discretionary use as they fall due.

The recognition of longer term deposits (greater than 90 days) as other financial assets has also resulted in \$19.3 million of 2014/15 term deposits (original 2014/15 \$38.0 million, revised \$18.7 million) being reallocated from cash and cash equivalents (term deposits) to other financial assets (refer Note 18).

NOTE 17 TRADE AND OTHER RECEIVABLES

Current

Rates debtors	2,962	2,167
Government grants	1,555	1,790
Other debtors	604	706
Provision for doubtful debts - other debtors	-	(1)
Waste management	429	451
Special charge schemes	7	54
Net GST receivable	657	796
Total current trade and other receivables	6,224	5,963

Non-current

Rates debtors - refer Note 1(q)	3,355	3,633
Provision for doubtful debts - rate debtors refer Note 1(q)	(2,188)	(2,498)
Special charge schemes	232	295
Provision for doubtful debts - special charge scheme	(2)	(2)
Other debtors	35	52
Provision for doubtful debts - other debtors	(5)	(26)
Total non-current trade and other receivables	1,427	1,456
TOTAL TRADE AND OTHER RECEIVABLES	7,651	7,449

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

	2016 \$'000	2015 \$'000
NOTE 17 TRADE AND OTHER RECEIVABLES (CONT'D)		
a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	2,491	3,080
Past due by up to 30 days	22	216
Past due between 31 and 180 days	12	4
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	10
Total trade & other receivables	<u>2,525</u>	<u>3,310</u>
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	1	7
New Provisions recognised during the year	-	1
Amounts already provided for and written off as uncollectible	-	(7)
Amounts provided for but recovered during the year	(1)	-
Balance at end of year	<u>-</u>	<u>1</u>
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of Nil (2015 Nil) were impaired.		
NOTE 18 OTHER FINANCIAL ASSETS		
Term Deposits	40,442	19,262
TOTAL OTHER FINANCIAL ASSETS	<u>40,442</u>	<u>19,262</u>
NOTE 19 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
Cost of acquisition	218	-
TOTAL NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	<u>218</u>	<u>-</u>
NOTE 20 OTHER ASSETS		
Prepayments	355	341
Accrued Income	619	1,986
TOTAL OTHER ASSETS	<u>974</u>	<u>2,327</u>

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

NOTE 21 (a)

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

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

Summary of Work in Progress

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

NOTE 21 (a)

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

Land and Buildings

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

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

NOTE 21 (a)

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

Plant and Equipment

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

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

NOTE 21 (a)

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

Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and Community \$'000	Waste Management \$'000	Parks open space and streetscapes \$'000	Aerodromes \$'000	Off street car parks \$'000	Other Infrastructure \$'000	Work In Progress \$'000	Total Infrastructure \$'000
Fair Value 1 July 2015	700,117	92,101	38,309	104,695	37,437	4,795	26,490	14,593	4,216	14,947	1,917	1,039,617
Accumulated Depreciation at 1 July 2015	(206,754)	(34,197)	(14,173)	(34,783)	(22,201)	(1,899)	(9,495)	(5,208)	(1,359)	(9,582)	-	(339,651)
	493,363	57,904	24,136	69,912	15,236	2,896	16,995	9,385	2,857	5,365	1,917	699,966
Movements in Fair Value												
Acquisition of assets	9,639	1,323	1,150	3,580	341	81	511	169	-	2,338	2,369	21,481
Revaluation increments/decrements	-	-	-	-	159	(287)	40	-	-	175	-	87
Fair value of assets Disposed	(923)	(1,500)	(132)	(73)	(212)	-	(21)	-	-	(75)	(229)	(3,165)
Transfers	1,596	2	237	43	636	-	45	-	-	1,235	(1,573)	2,221
	10,312	(175)	1,256	3,530	924	(206)	575	169	-	3,673	567	20,624
Movement in Accumulated Depreciation												
Depreciation and amortisation	(10,052)	(1,064)	(871)	(1,166)	(604)	(115)	(637)	(246)	(70)	(373)	-	(15,198)
Accum Depn Revaluation increments/decrements	-	-	-	-	(1,241)	176	(49)	(397)	(25)	(282)	-	(1,818)
Accumulated depreciation of disposals	843	1,500	132	132	677	27	21	-	-	47	-	3,379
Transfers	-	-	-	4	-	-	-	-	-	-	-	4
	(9,209)	436	(739)	(1,030)	(1,168)	88	(665)	(643)	(95)	(608)	-	(13,633)
At fair value 30 June 2016	710,429	91,926	39,564	108,225	38,361	4,589	27,065	14,762	4,216	18,620	2,484	1,060,241
Accumulated depreciation at 30 June 2016	(215,963)	(33,761)	(14,912)	(35,813)	(23,369)	(1,811)	(10,160)	(5,851)	(1,454)	(10,190)	-	(353,284)
	494,466	58,165	24,652	72,412	14,992	2,778	16,905	8,911	2,762	8,430	2,484	706,957

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

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

Valuation of land and buildings

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

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

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

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

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

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

Valuation of infrastructure

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

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

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

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

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

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

NOTE 21(b) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTD)

Description of significant unobservable inputs into level 3 valuations

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

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

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

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

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

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

	Water Right \$'000	Software \$'000	Landfill \$'000	Total \$'000
Gross Carrying amount				
Balance at 1 July 2014	-	1,255	1,942	3,197
Additions	17	53	40	110
Assets written off	-	-	(503)	(503)
Balance at 1 July 2015	17	1,308	1,479	2,804
Additions	-	82	-	82
Balance at 30 June 2016	17	1,390	1,479	2,886
Accumulated amortisation and impairment				
Balance at 1 July 2014	-	789	1,302	2,071
Amortisation expense	3	222	103	328
Assets written off	-	-	(496)	(496)
Balance at 1 July 2015	3	991	909	1,903
Amortisation expense	5	211	118	334
Balance at 30 June 2016	8	1,202	1,027	2,237
Net book value at 30 June 2015	14	317	570	901
Net book value at 30 June 2016	9	188	452	649

NOTE 23 TRADE AND OTHER PAYABLES

Trade Payables	4,532	5,830
Accrued Employee Expenses	146	173
TOTAL TRADE AND OTHER PAYABLES	4,678	6,003

NOTE 24 TRUST FUNDS AND DEPOSITS

Trust monies are held for the following purposes:

Refundable deposits	307	184
Fire Services Property Levy	179	280
Retention amounts	87	135
Other trust funds and deposits	56	170
TOTAL TRUST FUNDS AND DEPOSITS	629	769

Purpose and nature of items

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

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

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

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

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

NOTE 25 PROVISIONS

	Employee \$'000	Landfill restoration \$'000	Total \$'000
2016			
Balance at beginning of the financial year	6,226	2,161	8,387
Additional Provisions	2,172	-	2,172
Amounts used	(2,236)	-	(2,236)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	251	328	579
Balance at the end of the financial year	<u>6,413</u>	<u>2,489</u>	<u>8,902</u>
2015			
Balance at beginning of the financial year	5,759	2,027	7,786
Additional Provisions	2,255	40	2,295
Amounts used	(1,993)	-	(1,993)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	205	94	299
Balance at the end of the financial year	<u>6,226</u>	<u>2,161</u>	<u>8,387</u>
		2016	2015
		\$'000	\$'000
(a) Employee Provisions			
Current provisions expected to be wholly settled within 12 months			
Annual Leave		1,359	1,369
Long Service Leave		471	341
		<u>1,830</u>	<u>1,710</u>
Current provisions expected to be settled after 12 months			
Annual Leave		400	340
Long Service Leave		3,691	3,924
		<u>4,091</u>	<u>4,264</u>
Total current provisions		<u>5,921</u>	<u>5,974</u>
(a) Employee Provisions (cont'd)			
Non Current			
Long Service Leave		491	251
Sick Leave Gratuity		1	1
Total non-current provisions		<u>492</u>	<u>252</u>
Aggregate Carrying amount of Employee Benefits			
Current		5,921	5,974
Non-Current		492	252
Total aggregate carrying amounts of employee provisions		<u>6,413</u>	<u>6,226</u>
(b) Landfill Restoration			
Current		864	558
Non-current		1,625	1,603
		<u>2,489</u>	<u>2,161</u>

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

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

NOTE 26 INTEREST-BEARING LOANS AND BORROWINGS		2016	2015
		\$'000	\$'000
Current			
Borrowings - secured		1,481	2,990
Non-current			
Borrowings - secured		8,656	10,137
TOTAL INTEREST-BEARING LOANS AND BORROWINGS		10,137	13,127
a) The maturity profile for Council's borrowings is:			
Not later than one year		1,481	2,990
Later than one year and not later than five years		4,630	5,822
Later than five years		4,026	4,315
		10,137	13,127
b) Aggregate carrying amount of interest-bearing loans and borrowings:			
Current		1,481	2,990
Non-current		8,656	10,137
		10,137	13,127

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

NOTE 27 RESERVES

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves			
2016			
Property			
Land	73,119	1,083	74,202
Buildings and Structures	71,832	123	71,955
	<u>144,951</u>	<u>1,206</u>	<u>146,157</u>
Infrastructure			
Road	401,836	(74)	401,762
Footpaths	2,738	(33)	2,705
Drainage	36,121	(28)	36,093
Bridges	19,040	(874)	18,166
	<u>459,735</u>	<u>(1,009)</u>	<u>458,726</u>
Other			
Art Gallery Stock	1,123	1,378	2,501
TOTAL ASSET REVALUATION RESERVES	605,809	1,575	607,384
2015			
Property			
Land	73,414	(295)	73,119
Buildings and Structures	71,544	288	71,832
	<u>144,958</u>	<u>(7)</u>	<u>144,951</u>
Infrastructure			
Road	402,442	(606)	401,836
Footpaths	2,758	(20)	2,738
Drainage	29,208	6,913	36,121
Bridges	19,875	(835)	19,040
	<u>454,283</u>	<u>5,452</u>	<u>459,735</u>
Other			
Art Gallery Stock	1,123	-	1,123
TOTAL ASSET REVALUATION RESERVES	600,364	5,445	605,809

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				
2016				
Discretionary Reserves				
Asset Improvement	253	45	253	45
Plant Replacement	1,474	603	1,334	743
Waste Management	4,476	1,000	606	4,870
Total Discretionary Reserves	6,203	1,648	2,193	5,658

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

NOTE 27 RESERVES (CONTD)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2016				
Non Discretionary Reserves				
Recreational Land	276	108	29	355
Art Gallery Acquisition	-	7	5	2
Art Gallery Contribution	1	34	-	35
Leased Property Improvements	568	228	147	649
Total Non Discretionary Reserves	845	377	181	1,041
TOTAL OTHER RESERVES	7,048	2,825	2,374	8,689
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	6,283
Non Discretionary Reserves				
Recreational Land	335	89	148	276
Art Gallery Acquisition	-	14	14	-
Art Gallery Contribution	33	-	32	1
Leased Property Improvements	732	48	212	568
Total Non Discretionary Reserves	1,100	151	406	845
TOTAL OTHER RESERVES	6,925	1,553	1,430	7,048

Purpose of Reserves

Discretionary Reserves

Asset Improvement

Reserve to fund capital improvements.

Plant Replacement

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

Waste Management

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

Non-Discretionary Reserves

Recreational Land

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

Art Gallery Acquisition

Reserve is to fund future approved art gallery acquisitions.

Art Gallery Contributions

Reserve is to fund future specific major art gallery exhibitions.

Leased Property Improvements

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

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

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

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

NOTE 39 COMMITMENTS

The Council has entered into the following

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2016	\$'000	\$'000	\$'000	\$'000	\$'000
Operating	4,477	4,477	4,477	-	13,431
Waste management	242	242	484	-	968
Animal pound & shelter service	58	-	-	-	58
North Sale outline development plan	197	-	-	-	197
Litter Bins	952	-	-	-	952
Maternal and Child Health	125	125	125	-	375
L to P Project	254	21	-	-	275
Software Maintenance					
TOTAL	6,385	4,865	5,086	-	16,256

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

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2015	\$'000	\$'000	\$'000	\$'000	\$'000
Operating	4,433	4,433	8,865	-	17,731
Waste Management	175	175	-	-	350
Tourist Information Centre	274	274	21	-	569
Software Maintenance	237	237	710	-	1,184
Animal Pound and Shelter Service	388	-	-	-	388
Valuation Contract	57	-	-	-	57
North Sale outline development plan	60	-	-	-	60
Linemarking	949	863	-	-	1,812
Maternal and Child Health	125	125	251	-	501
L to P Project					
TOTAL	6,698	6,167	9,847	-	22,652

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

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

	2016 \$'000	2015 \$'000
NOTE 31 OPERATING LEASES		
(a) Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	261	253
Later than one year and not later than five years	739	1,356
Later than five years	27	31
	<u>1,027</u>	<u>1,640</u>
(b) Operating lease receivables		
The Council had entered into a commercial property sublease for a portion of it unused office space in the Port of Sale Business Centre. This property was sublet as an operating lease and has now expired.		
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	-	6
	<u>-</u>	<u>6</u>

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

NOTE 32 SUPERANNUATION

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding arrangements

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

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

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

Vision Super has advised that the VBI at 30 June 2016 was 102.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

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

NOTE 32 SUPERANNUATION (Cont.)

Funding calls

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

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

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

2015 Interim actuarial investigation surplus amounts

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

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

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

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

NOTE 33 CONTINGENT LIABILITIES AND ASSETS

Contingent Liabilities

Defined Benefit Superannuation Fund

Wellington Shire Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 32. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Landfill Restoration

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

Legal Matters

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

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

Guarantees for loans to other entities

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

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

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

Contingent Assets

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

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

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

NOTE 34 FINANCIAL INSTRUMENTS

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

- council have a policy for establishing credit limits for the entities we deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

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

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

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

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

NOTE 34 FINANCIAL INSTRUMENTS (CONT'D)

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 35, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 26.

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

(e) Fair value

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

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

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

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

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

NOTE 36 RELATED PARTY TRANSACTIONS

(i) Responsible Persons

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

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

CHIEF EXECUTIVE OFFICER David Morcom

(ii) Remuneration of Responsible Persons

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

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

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

NOTE 36 RELATED PARTIES (CONT'D)

(iii) Senior Officers Remuneration

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

- (a) has management responsibilities and reports directly to the Chief Executive Officer; or
- (b) whose total annual remuneration exceeds \$139,000

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

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

(iv) Responsible persons retirement benefits

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

(v) Loans to responsible persons

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

(vi) Transactions with responsible persons

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

1. Cowarr Public Hall : Councillor Carolyn Crossley is the Secretary of the Cowarr Public Hall Management Committee. For 2015/16, Council paid a total of \$2,328 (2014/15 \$Nil) on normal commercial terms and conditions.

2. Municipal Association of Victoria (MAV): Councillor Malcolm Hole is a Board Member of MAV. For 2015/16, Council paid \$68,088, (2014/15 \$14,758) on normal commercial terms and conditions.

3. Gippsland Regional Arts-Sale : Councillor Darren McCubbin is the Treasurer of Gippsland Regional Arts-Sale. For 2015/16 Council paid \$13,565 (2014/15 \$33,896) on normal commercial terms and conditions.

4. Sale Theatre Company: Councillor Darren McCubbin is the Secretary of Sale Theatre Company. For 2015/16, Council paid \$10,783 (2014/15 \$7,749) on normal commercial terms and conditions.


5. Sale Elderly Citizens Village: Councillor Darren McCubbin is a Director of Sale Elderly Citizens Village. For 2015/16, Council paid \$2,200 (2014/15 \$Nil) on normal commercial terms and conditions.

NOTE 37 EVENTS OCCURRING AFTER BALANCE DATE

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

CERTIFICATION OF FINANCIAL STATEMENTS

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



PRINCIPAL ACCOUNTING OFFICER
Ian Carroll CPA

Dated: 20/9/16
Sale

In our opinion the accompanying financial statements present fairly the financial transactions of Wellington Shire Council for the year ended 30 June 2016 and the financial position of the Council as at that date.


As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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



COUNCILLOR
Peter Cleary

Dated: 20/9/16
Sale



COUNCILLOR
John Duncan

Dated: 20-9-2016
Sale





CHIEF EXECUTIVE OFFICER
David Morcom

Dated: 20/9/16
Sale

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Wellington Shire Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Wellington Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of financial statements.

The Councillors' Responsibility for the Financial Report

The Councillors of the Wellington Shire Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Wellington Shire Council as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
22 September 2016


R Andrew Greaves
Auditor-General



C3 - REPORT

GENERAL MANAGER DEVELOPMENT

ITEM C3.1**QUARTERLY STRATEGIC LAND USE PLANNING UPDATE**

DIVISION: DEVELOPMENT
ACTION OFFICER: MANAGER LAND USE PLANNING
DATE: 18 OCTOBER 2016

IMPACTS									
Financial	Communication	Legislative	Council Policy	Council Plan	Resources & Staff	Community	Environmental	Consultation	Risk Management
		✓		✓					

CARETAKER STATEMENT

The recommended decision is not a “Major Policy Decision” as defined in section 94A of the Local Government Act 1989 or a “Significant Decision” within the meaning of this policy.

OBJECTIVE

To update Council on the strategic land use planning work program for the third quarter of 2016.

PUBLIC QUESTIONS AND COMMENTS FROM THE GALLERY**RECOMMENDATION**

That Council receives the 2016 third quarterly update on the strategic land use planning work program (included in Attachment 1 to the report).

BACKGROUND

The strategic land use planning work program is regularly reviewed by Council’s Strategic Land Use Planning Projects Review Group (Review Group), which was appointed by Council at the Special Council meeting of 6 November 2013. The Review Group considered it beneficial to provide the full Council and the community with a quarterly update of the strategic land use planning work program, which comprises various prioritised projects and planning scheme amendments as outlined in **Attachment 1**.

OPTIONS

1. That Council receive the 2016 third quarterly update on the strategic land use planning work program; or
2. That Council does not receive the 2016 third quarterly update on the strategic land use planning work program and seeks further information for consideration at a future Council meeting.

PROPOSAL

To receive the 2016 third quarterly update on the strategic land use planning work program.

CONFLICT OF INTEREST

No staff and/or contractors involved in the compilation of this report have declared a Conflict of Interest.

LEGISLATIVE IMPACT

All strategic land use planning matters are considered in accordance with the *Planning and Environment Act 1987* and/or any relevant legislation.

COUNCIL PLAN IMPACT

The Council Plan 2013–2017 Theme 5 Land Use Planning states the following strategic objective and related strategy:

Strategic Objective

“Appropriate and forward looking land use planning that incorporates sustainable growth and development.”

Strategy 5.1

“Ensure Land Use Policies and Plans utilise an integrated approach to guide appropriate land use and development.”

This report supports the above Council Plan strategic objective and strategy.

Current Project	Status/Details	Current Priority	Anticipated Completion
North Sale Development Plan & Developer Contributions Plan	<p>A draft Analysis and Design Response Plan prepared by Mesh planning consultants was endorsed by Council for general public exhibition at the 20 September 2016 Council meeting. The Draft Plan is currently on public exhibition until Monday 21 November 2016.</p> <p>All submissions received during the exhibition period will be considered and used to inform a final Development Plan, which it is anticipated will be completed in early 2017. Work will then commence on the preparation of the associated Developer Contributions Plan, which will seek to equitably apportion the costs associated with the infrastructure requirements to facilitate development across the entire Growth Area.</p>	H	16/17
Wurruk and West Sale Industrial Land Use Strategy	<p>A project brief has been prepared to support further strategic work to facilitate the release of additional land for industrial uses within West Sale and Wurruk (in accordance with the Sale, Wurruk and Longford Structure Plan). Quotations to undertake the study will be sought shortly.</p>	H	16/17
Heritage Strategy	<p>Feedback has been sought on the draft strategy from key heritage groups across the Shire.</p> <p>Officers continue to work with Council's Heritage Advisor to respond to the feedback received and finalise an appropriate Action Plan for the implementation of the Strategy.</p>	M/H	16/17
Heritage Study - Stage 2	<p>At its meeting on Tuesday 6 September 2016, Council resolved to adopt the Wellington Shire Stage 2 Heritage Study 2016.</p> <p>The Study identified and documented a range of private and public buildings and places that reflect important aspects of the municipality's history that are valued by local communities. These include the Boisdale Public Hall and Memorials, the Railway Hotel in Heyfield, the former Beet Sugar Factory Office and Weighbridge in Maffra, the former Rosedale Shire offices, the Court House in Stratford and the Regent Theatre in Yarram. A complete list of all buildings and places is available to view on Council's website.</p> <p>Council will now commence the Planning Scheme Amendment process to formally include the buildings and places in the Wellington Planning Scheme. This will be known as Amendment C92. This process will include further consultation with directly affected landowners and the wider community will also have the opportunity to provide input.</p>	H	16/17

Current Project	Status/Details	Current Priority	Anticipated Completion
Wellington Land Use and Development Strategy (LUDS)	Initial background work to facilitate a review of Clauses 21.01, 21.02 and 21.03 of the Wellington Planning Scheme is continuing. The <i>Wellington Land Use Development Strategy</i> (LUDS) will provide the justification to update the strategic land use planning directions for the Shire and secure a relevant and up-to-date Wellington Planning Scheme.	H	16/17
Heyfield Low Density Residential Land Supply Study	Planning consultants 'Urban Enterprise' have been appointed to undertake the Heyfield Low Density Residential Land Supply Study (the Study). The specific aim of the Study is to identify suitable land to provide one acre blocks in Heyfield. A 'drop-in' session was held in Heyfield on 5 September 2016 to seek community views. A draft Recommendations Report is expected to be completed in November 2016 and publicly exhibited for comment early in 2017.	H	16/17

Current Amendments	Status/Details	Current Priority	Anticipated Completion
C51: General Technical Amendment	The Amendment seeks to correct minor mapping and text errors within the Wellington Planning Scheme to ensure that it remains relevant and up-to-date. Officers are working closely with the Department of Environment, Land, Water and Planning to finalise the items to be included in the Amendment prior to the start of the formal process.	H	16/17

External Amendment Requests	Status/Details	Priority	Anticipated Completion
C90: Rezoning of Land in Precinct 3 and 11 of the Longford Development Plan	<p>At its meeting on Tuesday 20 September 2016, Council resolved to progress Planning Scheme Amendment C90 for two precincts identified within the Longford Development Plan.</p> <p>Precinct 3 is proposed to be rezoned from Farming Zone to Township Zone, whilst Precinct 11, located on Seaspray Road and Cobb Road, is proposed to be rezoned from Farming Zone to Rural Living Zone 5 (with a minimum subdivision size of 6,000 m2).</p> <p>A Development Plan Overlay (Schedule 10) is also proposed to be applied to both precincts requiring the preparation of a precinct plan to guide future subdivision.</p> <p>Opportunity for public input will be provided through an upcoming public exhibition period.</p>	L	17/18
C84: Rezoning of Land in Wurruk Growth Area	<p>At its meeting on Tuesday 6 September 2016, Council resolved to progress Planning Scheme Amendment C84 for the Wurruk Growth Area.</p> <p>The (private) request seeks to rezone approximately 90 hectares of land to the General Residential Zone and Low Density Residential Zone and to make a number of revisions to existing planning controls on the land, including the Heritage Overlay and Flood Overlay. Part of the land is also proposed to be rezoned to the Rural Activity Zone.</p> <p>The Wurruk Growth Area is identified for future residential expansion within the adopted Sale, Wurruk and Longford Structure Plan (2010), which promotes the creation of well-designed neighbourhoods that are integrated with adjoining residential development.</p> <p>Opportunity for public input will be provided through an upcoming public exhibition period.</p>	M	17/18

ITEM C3.2**PLANNING DECISIONS**

DIVISION:

DEVELOPMENT

ACTION OFFICER:

MANAGER LAND USE PLANNING

DATE:

18 OCTOBER 2016

IMPACTS									
Financial	Communication	Legislative	Council Policy	Council Plan	Resources & Staff	Community	Environmental	Consultation	Risk Management
	✓	✓	✓	✓			✓		

CARETAKER STATEMENT

The recommended decision is not a “Major Policy Decision” as defined in section 94A of the Local Government Act 1989 or a “Significant Decision” within the meaning of this policy.

OBJECTIVE

To provide a report to Council on recent planning permit trends and planning decisions, made under delegation by Statutory Planners during the month of August 2016, for information.

PUBLIC QUESTIONS AND COMMENTS FROM THE GALLERY**RECOMMENDATION**

That Council note the report on recent Planning Permit trends and Planning Application determinations between 1 August and 31 August 2016.

BACKGROUND

Statutory Planners have delegated authority under the *Planning and Environment Act 1987* to make planning decisions in accordance with the *Planning and Environment Act 1987* and the Wellington Planning Scheme, including the issue of: planning permits, amended permits, extensions of time, refusal of planning permits and notices of decision to grant a planning permit.

A copy of planning permit decisions made between 1 August and 31 August 2016 is included in Attachment 1.

Attachment 2 provides an overview of recent planning permit trends including decisions made, efficiency of decision making and the estimated value of approved development (derived from monthly planning permit activity reporting data).

OPTIONS

Council may choose to note this report, alternatively, Council may choose to seek further information and refer this report to another meeting.

PROPOSAL

That Council note the report of recent planning permit trends and planning application determinations between 1 August and 31 August 2016.

CONFLICT OF INTEREST

No staff and/or contractors involved in the compilation of this report have declared a conflict of interest.

COMMUNICATION IMPACT

The monthly report communicates information about planning trends and determinations including the issue of planning permits, amended permits, refusal of planning permits, and notices of decision to grant a planning permit.

LEGISLATIVE IMPACT

All planning decisions have been processed and issued in accordance with the *Planning and Environment Act 1987* and the Wellington Planning Scheme.

COUNCIL POLICY IMPACT

All planning decisions have been issued after due consideration of relevant Council policy, including Council's Heritage Policy, and the requirements of the State and Local Planning Policy Framework in the Wellington Planning Scheme.

COUNCIL PLAN

The Council Plan 2013–2017 Theme 5 Land Use Planning states the following strategic objective and related strategy:

Strategic Objective

"Appropriate and forward looking land use planning that incorporates sustainable growth and development."

Strategy 5.2

"Provide user friendly, accessible planning information and efficient planning processes."

This report supports the above Council Plan strategic objective and strategy.

ENVIRONMENTAL IMPACT

Planning decisions are made in accordance with the relevant environmental standards to ensure that environmental impacts are minimised.

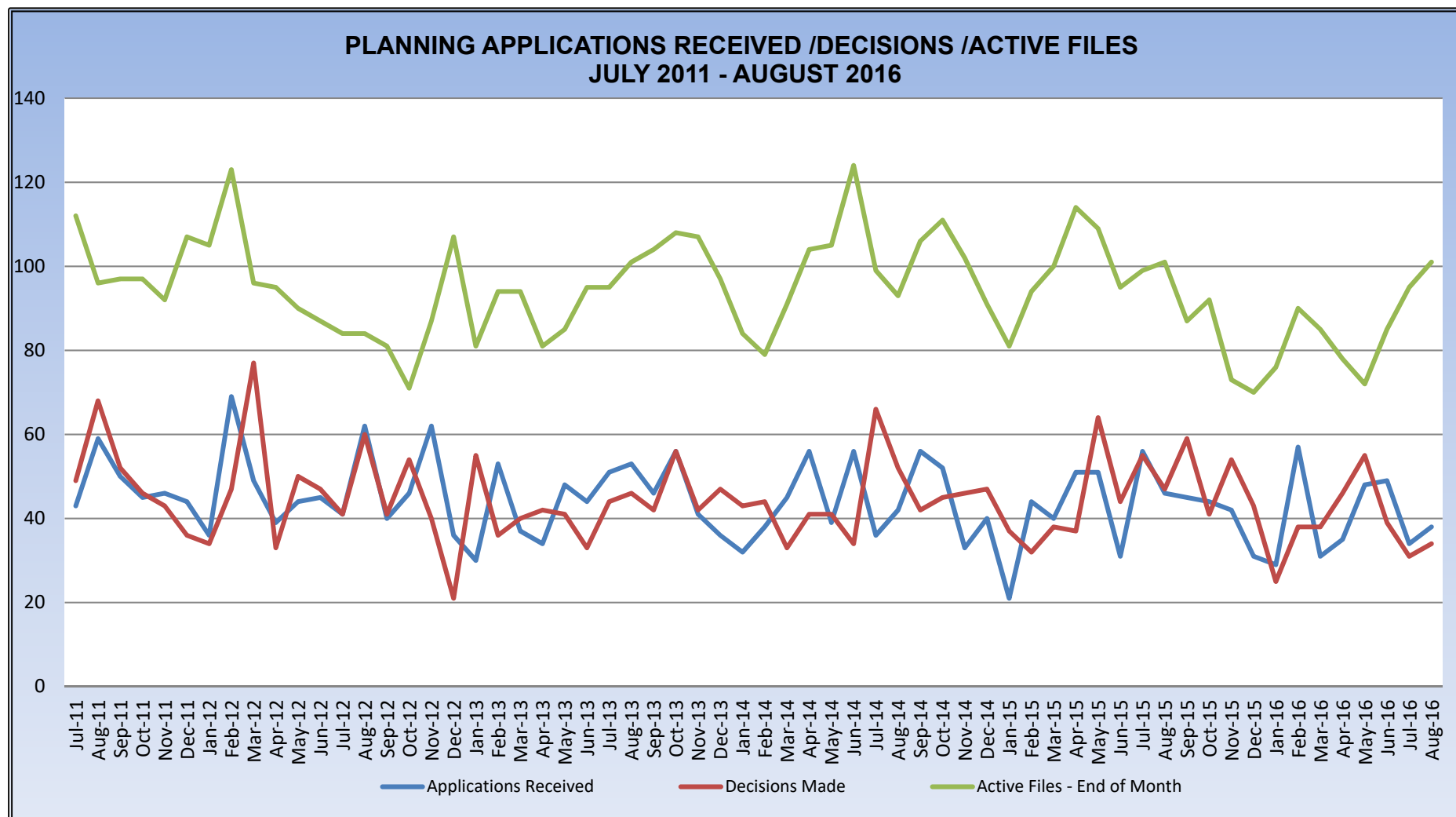
**PLANNING APPLICATION DETERMINATIONS
BETWEEN 1/08/2016 AND 31/08/2016**

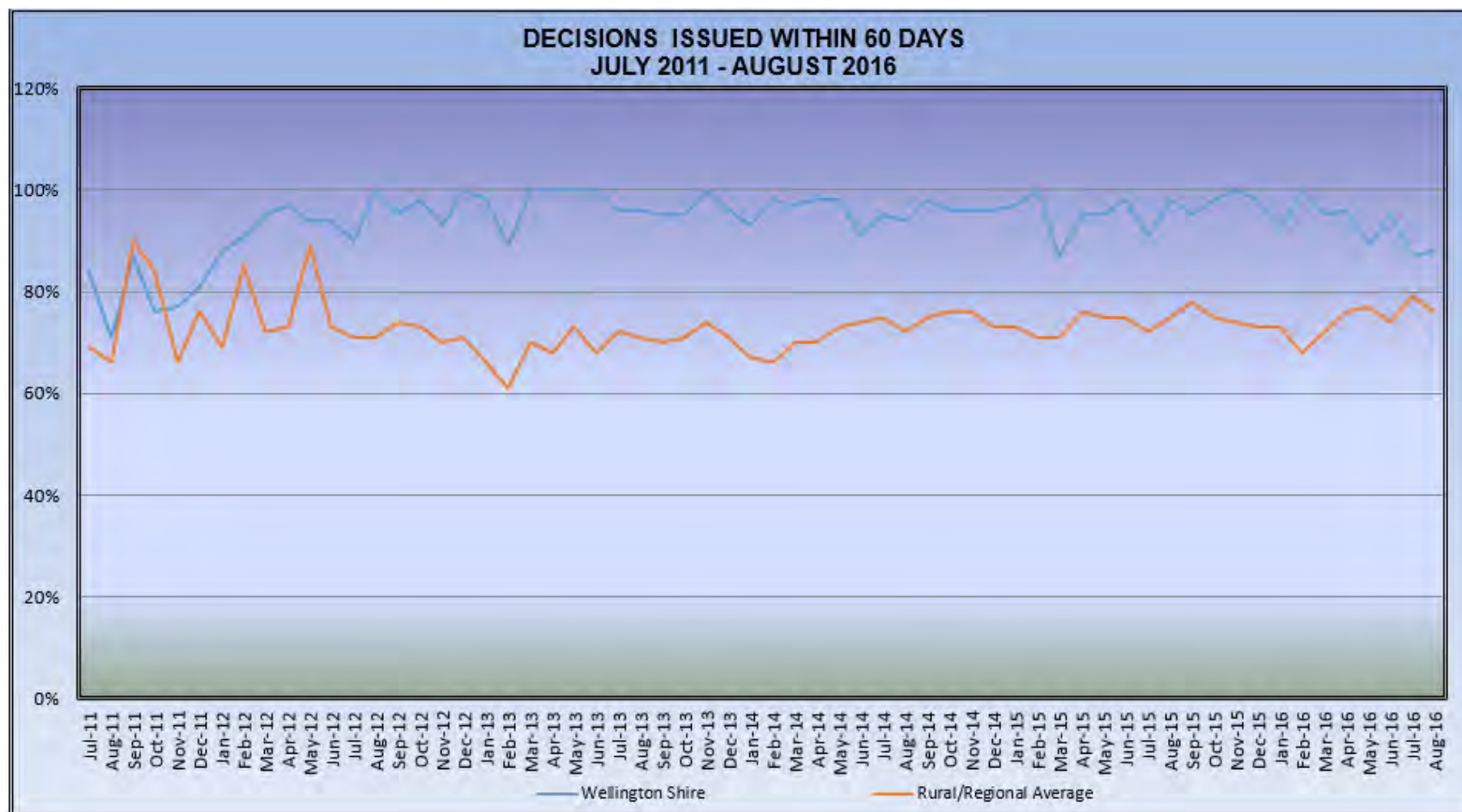
Application No/Year	Date Received	Property Title & Address	Proposal	Status
224-2/2011	23/06/2016	Assessment No. 362228 LOT: 2 PS: 300834 104 MAFFRA-SALE RD MAFFRA	Use and development of the land for a dwelling.	Permit Issued by Delegate of Resp/Auth 2/08/2016
78-3/2012	17/05/2016	Assessment No. 189944 LOT: 14 PS: 141782 19 FAWKES RD ROSEDALE	Buildings/works for extension to existing industrial building.	Permit Issued by Delegate of Resp/Auth 24/08/2016
25-3/2015	1/08/2016	Assessment No. 13029 LOT: 1 TP: 230356M 138 REEVE ST SALE	Buildings/works associated with development of 3 dwellings.	Permit Issued by Delegate of Resp/Auth 25/08/2016
26-1/2015	9/02/2015	Assessment No. 112508 CA: 68 SALE-TOONGABBIE RD TOONGABBIE	Use and development of the land/free range broiler farm.	Permit Issued by Delegate of Resp/Auth 24/08/2016
27-1/2015	9/02/2015	Assessment No. 368746 CA: 67 SALE-TOONGABBIE RD TOONGABBIE	Use and development of the land/free range broiler farm.	Permit Issued by Delegate of Resp/Auth 24/08/2016
78-2/2015	23/08/2016	Assessment No. 105569 LOT: 1 PS: 623662C 1,188 SALE-COWWARR RD NAMBROK	Use/development of the land for animal keeping (up to 20 greyhounds).	Withdrawn 30/08/2016
33-1/2016	8/02/2016	Assessment No. 292250 LOT: 2 PS: 98165 460 COMMERCIAL RD YARRAM	Buildings and works associated with construction of a car port.	Lapsed 3/08/2016
64-1/2016	29/02/2016	Assessment No. 34231 LOT: 2 PS: 743761 9A ALAMEDA DVE SALE	Subdivision of the land into two lots.	Permit Issued by Delegate of Resp/Auth 17/08/2016
66-3/2016	16/08/2016	Assessment No. 436220 LOT: 5 PS: 736786C 22-24 WELLINGTON PARK WAY SALE	Buildings and works associated with construction of a warehouse.	Permit Issued by Delegate of Resp/Auth 29/08/2016
92-1/2016	24/03/2016	Assessment No. 237479 LOT: 1692 PS: 58872 275 NATIONAL PARK LOCH SPORT	Buildings and works associated with construction of an outbuilding.	Permit Issued by Delegate of Resp/Auth 12/08/2016
109-2/2016	2/08/2016	Assessment No. 403931 LOT: 4 PS: 603021G 3/184 YORK ST SALE	Display advertising signs.	No Permit Required 3/08/2016

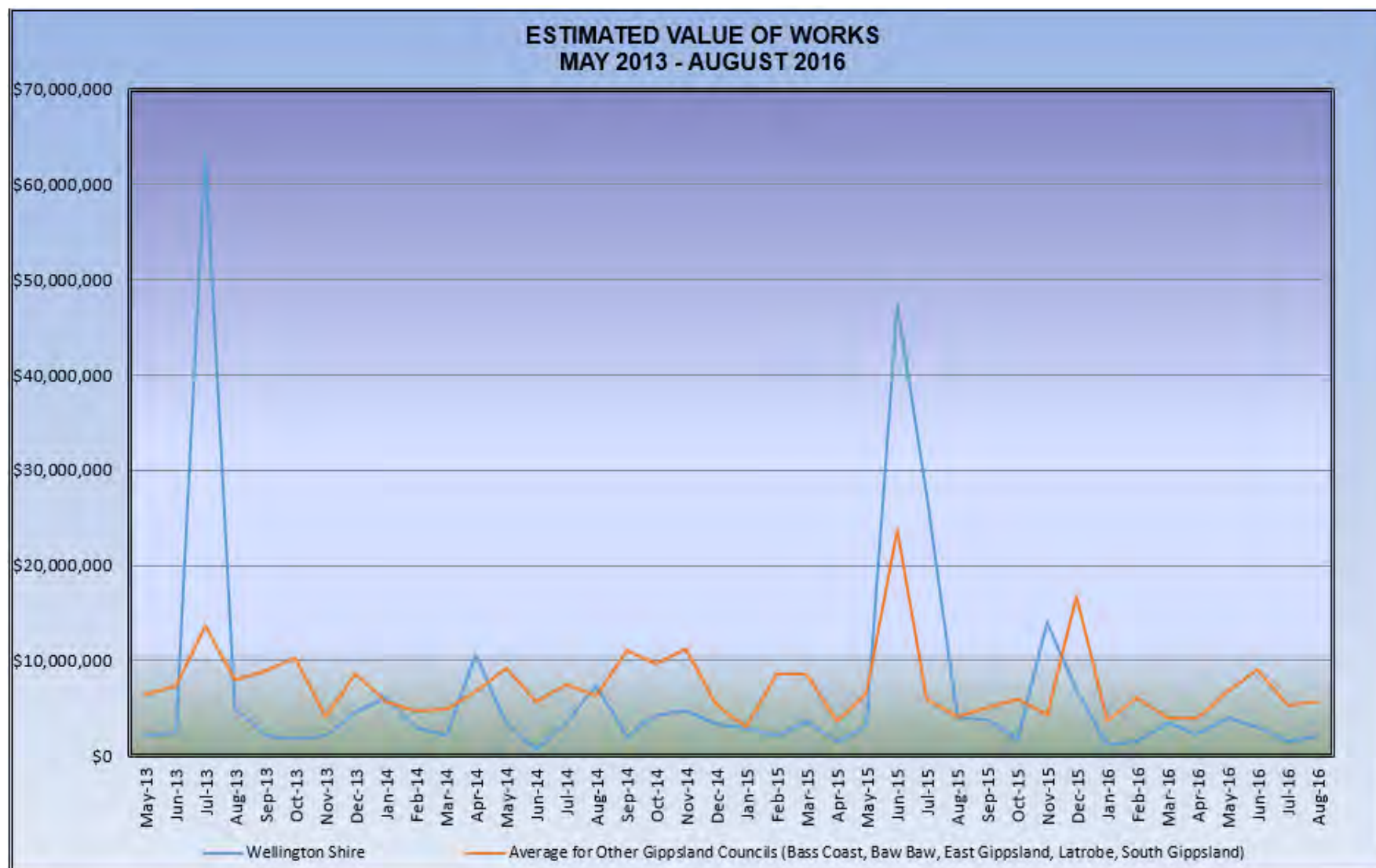
Application No/Year	Date Received	Property Title & Address	Proposal	Status
140-1/2016	13/05/2016	Assessment No. 26245 LOT: 12 PS: 26163 135 LANSDOWNE ST SALE	Development of second dwelling and 2 lot subdivision.	Permit Issued by Delegate of Resp/Auth 25/08/2016
150-1/2016	20/05/2016	Assessment No. 389577 PC: 375548T 6-8 CALLADALE CRT GORMANDALE	Buildings and works associated with development of a single dwelling.	Permit Issued by Delegate of Resp/Auth 2/08/2016
164-1/2016	3/06/2016	Assessment No. 240309 LOT: 418 PS: 50201 104 SANCTUARY RD LOCH SPORT	Buildings and works associated with construction of a single dwelling.	Permit Issued by Delegate of Resp/Auth 5/08/2016
165-1/2016	3/06/2016	Assessment No. 321752 LOT: 1 PS: 737747 32 RIVER ST HEYFIELD	Staged residential subdivision of the land into 11 lots.	Permit Issued by Delegate of Resp/Auth 1/08/2016
167-1/2016	3/06/2016	Assessment No. 347187 LOT: 1 PS: 627857P 646 STRATFORD-MAFFRA RD MAFFRA	Use and development of the land for a service station.	Permit Issued by Delegate of Resp/Auth 16/08/2016
176-1/2016	10/06/2016	Assessment No. 228833 LOT: 1075 PS: 55692 22 DAVIES ST LOCH SPORT	Buildings and works associated with construction of a dwelling.	Permit Issued by Delegate of Resp/Auth 2/08/2016
179-1/2016	14/06/2016	Assessment No. 424341 LOT: 1 PS: 700895Y 2 RUTHBERG DVE SALE	Development of two dwellings and a two lot subdivision of the land.	Permit Issued by Delegate of Resp/Auth 5/08/2016
182-1/2016	16/06/2016	Assessment No. 243436 LOT: 2084 PS: 69874 22 TOORAK AVE LOCH SPORT	Buildings and works associated with construction of an outbuilding.	Permit Issued by Delegate of Resp/Auth 5/08/2016
185-1/2016	17/06/2016	Assessment No. 76307 LOT: 2 PS: 705672 27A FITZROY ST STRATFORD	Variation to restriction to allow 6m front setback.	Permit Issued by Delegate of Resp/Auth 23/08/2016
186-1/2016	21/06/2016	Assessment No. 240911 LOT: 2783 PS: 70944 11 SANDRA CRT LOCH SPORT	Buildings and works associated with construction of a dwelling.	Permit Issued by Delegate of Resp/Auth 2/08/2016
187-1/2016	21/06/2016	Assessment No. 315291 LOT: 29 PS: 25129 34-36 BOLTON ST HEYFIELD	Buildings and works associated with construction of a carport.	Permit Issued by Delegate of Resp/Auth 2/08/2016
188-1/2016	21/06/2016	Assessment No. 347112 LOT: 2 PS: 111676 530 STRATFORD-MAFFRA RD MAFFRA	Buildings and works associated with construction of a shed.	Permit Issued by Delegate of Resp/Auth 31/08/2016

Application No/Year	Date Received	Property Title & Address	Proposal	Status
190-1/2016	23/06/2016	Assessment No. 230383 LOT: 59 PS: 30043 25 FISHER PDE LOCH SPORT	Development of the land for a double story dwelling greater than 7.5m.	Permit Issued by Delegate of Resp/Auth 17/08/2016
191-1/2016	23/06/2016	Assessment No. 51409 PTL: RES PS: 143120 HUNT PL WURRUK	Development of the land for an outbuilding.	Permit Issued by Delegate of Resp/Auth 18/08/2016
196-1/2016	27/06/2016	Assessment No. 201152 LOT: 1 TP: 345350J 438 GORMANDALE-STRADBROKE RD HIAMDALE	Buildings and works associated with construction of 2 sheds.	Permit Issued by Delegate of Resp/Auth 23/08/2016
210-1/2016	11/07/2016	Assessment No. 220400 LOT: 998 PS: 52648 9 HAVEN WAY GOLDEN BEACH	Buildings and works associated with construction of a garage.	Permit Issued by Delegate of Resp/Auth 31/08/2016
215-1/2016	14/07/2016	Assessment No. 195461 CA: 22 SEC: 3 7 FORESHORE RD SEASPRAY	Buildings and works/extension to existing dwelling.	Permit Issued by Delegate of Resp/Auth 10/08/2016
216-1/2016	14/07/2016	Assessment No. 327965 LOT: 9 PS: 221081 148 JOHNSON LANE SEATON	Buildings and works associated with development of a dwelling.	Permit Issued by Delegate of Resp/Auth 25/08/2016
217-1/2016	15/07/2016	Assessment No. 436469 CA: 1 SEC: A 607 YARRAM-MORWELL RD JACK RIVER	Resubdivision of 2 existing lots.	Permit Issued by Delegate of Resp/Auth 17/08/2016
222-1/2016	20/07/2016	Assessment No. 361972 LOT: 1 PS: 318646C 35 KYNES RD BUNDALAGUAH	Buildings and works associated with extension to existing dwelling.	Permit Issued by Delegate of Resp/Auth 10/08/2016
226-1/2016	22/07/2016	Assessment No. 363994 LOT: 2 PS: 144502 97 RAUTMANS RD NEWRY	Buildings and works associated with construction of a farm shed.	Permit Issued by Delegate of Resp/Auth 31/08/2016
232-1/2016	29/07/2016	Assessment No. 50864 LOT: 1 TP: 365529C 73-81 MACALISTER ST SALE	Buildings and works associated with construction of a bike shelter.	Withdrawn 3/08/2016

Total No of Decisions Made: 33









C4 - REPORT

GENERAL MANAGER BUILT AND NATURAL ENVIRONMENT

ITEM C4.1**MERRY STREET MAFFRA SPECIAL CHARGE STREET CONSTRUCTION SCHEME – INTENTION TO DECLARE SCHEME**

DIVISION: BUILT & NATURAL ENVIRONMENT

ACTION OFFICER: MANAGER ASSETS & PROJECTS

DATE: 18 OCTOBER 2016

IMPACTS								
Financial	Legislative	Council Policy	Planning Policy	Resources & Staff	Community	Environmental	Consultation	Risk Management
✓	✓	✓		✓	✓	✓	✓	✓

CARETAKER STATEMENT

The recommended decision is not a “Major Policy Decision” as defined in section 94A of the Local Government Act 1989 or a “Significant Decision” within the meaning of this policy.

OBJECTIVE

To consider the proposed Merry Street Special Charge Street Construction Scheme Number 1603 for declaration as a Special Charge Scheme for the section of Merry Street, Maffra, between Powerscourt Street and 105m west of Powerscourt Street.

RECOMMENDATION***That:***

- 1. Council commences the statutory process under the Local Government Act 1989 (the Act) to declare a Special Charge Scheme for the purposes of constructing the section of Merry Street, Maffra, between Powerscourt Street and 105m west of Powerscourt Street and providing any ancillary works including drainage;***
- 2. Council in accordance with sections 163(1A) and 163B(3) of the Act, directs that a public notice be given in the Gippsland Times newspaper of the intention of Council to declare the scheme at its ordinary meeting to be held on 7 February 2017 in accordance with the proposed declaration of Special Charge Scheme Number 1603 in the form of this resolution for the full construction of the section of Merry Street, Maffra, between Powerscourt Street and 105m west of Powerscourt Street;***
- 3. Council directs that in accordance with section 163(1C) of the Act, separate letters enclosing a copy of the public notice be sent to the owners of the properties referred to and set out in the schedule of properties forming a part of the Proposed Declaration of a Special Charge, advising of the intention of Council to declare the Special Charge at its ordinary meeting to be held on 7 February 2017, the basis of the calculation and distribution of the Special Charge and notifying such persons that submissions and/or objections in writing in relation to the Proposed Declaration of Special Charge will be considered and/or taken into account by Council in accordance with sections 163A, 163B and 223 of the Act;***

4. *If written submissions/objections are received Council form the 'Dundas Streets – South - Special Charge Scheme Submissions Committee' that is established by Council under section 223(1)(b)(i) of the Act, to consider written submissions/objections and to hear any persons who in their written submissions under section 223 of the Act have requested that they be heard in support of their submissions/objections;*
5. *That Scheme Number 1603 for construction of the section Merry Street, Maffra, between Powerscourt Street and 105m west of Powerscourt Street as presented to this meeting be adopted and a Special Charge for the scheme commences 7 February 2017 and remain in force for a period of ten years;*
6. *The Special Charge be declared for the purpose of defraying costs associated with street construction (including drainage) which Council considers will be of benefit to those property owners required to pay the special charge;*
7. *The following be specified as the land in relation to which the special charges is so declared: All properties abutting the section of Merry Street between Powerscourt Street and 105m west of Powerscourt Street, within the township of Maffra intended to be included in the scheme as defined on the plan attached to this report;*
8. *The following be specified as the criteria which forms the basis of the special charge so declared:-*
 - *Properties will derive special benefit due to construction of the roads and streets by:-*
 - *Reduction in dust*
 - *Enhance the amenity and character of the land and local area*
 - *Creation of improved riding surfaces for the street*
 - *Improved access and egress from properties*
 - *Improved road drainage*
 - *Improved road safety for motorists, cyclists and pedestrians;*
9. *That pursuant to Clause (2) of Section 163 of the Local Government Act 1989, Council resolves:-*
 - (a) *The total amount of the special charge to be levied is \$53,200*
 - (b) *The criteria used as a basis for declaring the special charge are:*
 - *Improved amenity for properties in the area defined by the scheme boundary.*
 - *Improved road safety for properties and the community in the area defined by the scheme boundary.*
 - *That for the purposes of Clause (2A) of Section 163 of the Local Government Act 1989 the total amount of the special charge to be levied will not exceed the amount calculated in accordance with the formula $S = R \times C$*
Where S = The maximum total amount that may be levied from all persons who are liable to pay the special charges.
R = The Benefit Ratio pursuant to Clause (2B) of Section 163 of the Act
and C = The cost of the scheme
 - *That for the purposes of Clause (2B) of Section 163 of the Local Government Act 1989, the Benefit Ratio R shall have a value of 0.40;*

- (c) The cost is to be apportioned to properties included in the scheme on the basis of each property having a frontage abuttal to the street to be constructed under the scheme will be apportioned one (1) Access Benefit Unit (ABU). Properties with a side abuttal to the street to be constructed under the scheme will be apportioned one (0.25) Access Benefit Unit (ABU);**

10. Having regard to the preceding parts of this resolution, it be recorded that:

- a) The owners of the properties described in the scheme document entitled “Merry Street – Maffra - Special Charge Street Construction Scheme Number 1603” are liable for the respective amounts set out in the scheme document. Council will be contributing 60% of the scheme costs;**
- b) Such owners may, subject to any further resolution by Council, pay the special charge per property/title in accordance with the following:**
- (i) the full amount within 45 days of invoice or;**
 - (ii) payment may be made over 20 quarterly instalments (5 years) including interest or;**
 - (iii) payment may be made over 40 quarterly instalments (10 years) including interest;**

11. The Chief Executive Officer to be authorised to give public notice of this declaration in accordance with Sections 163 and 223 of the Local Government Act 1989;

12. The Chief Executive Officer, to be authorised to carry out any and all other administrative procedures necessary to enable Council to carry out its functions under section 163A and sections 163(1A), (1B) and (1C) and sections 163B and 223 of the Act.

PUBLIC QUESTIONS AND COMMENTS FROM THE GALLERY

BACKGROUND

Following the introduction of the Wellington Shire Council 2014 Residential Road and Street Construction Plan, property owners abutting the proposed scheme area expressed interest in a special charge scheme. An informal investigation of a special charge scheme was commenced which included the preparation of a concept design and cost estimation. The section of Merry Street is primarily a residential street with access to Powerscourt Street.

Currently there is an unsealed road and limited formed open drainage. The proposed Merry Street - Maffra - Street Special Charge Street Construction Scheme would provide for fully constructed section of this street. The work would include a fully sealed road with kerb and channel, improved drainage and stormwater management.

A public meeting was held on Monday 15 August 2016 and an informal survey, which included an estimated cost, was distributed to all property owners liable to be included in the proposed scheme. The letter included a reply paid questionnaire to assess support for, or objection to, the scheme. Letters were delivered to property owners on the 16 August 2016 returnable by 13 September 2016.

There are 6 owners of 6 properties in the scheme area.

Results of the survey show:

The result of the informal survey was 83% of the property owners replied. All replies were in favour of the proposed scheme.

	SUPPORT SCHEME		OPPOSE SCHEME		DID NOT REPLY	
Property Owners (6)	5	83%	0	20%	1	17%
Properties (6)	5	83%	0	22%	1	17%

OPTIONS

- To progress the proposed scheme by advertising the intention to declare the special charge scheme; or
- To not advertise the intention to declare the Special Charge Scheme.

PROPOSAL

That Council advertise its intention to declare a Special Charge Scheme for the full construction of the section of Merry Street, Maffra, between Powerscourt Street and 105m west of Powerscourt Street

CONFLICT OF INTEREST

No Staff and/or Contractors involved in the compilation of this report have declared a Conflict of Interest.

FINANCIAL IMPACT

The scheme is estimated to cost \$133,000. The amount to be recovered under the scheme does not include GST.

Portion to be recovered from property owners: \$53,200.

Portion to be recovered from Council as a property owner: nil.

Portion of cost to be recovered from Council as direct costs: \$79,800.

Total estimated cost of scheme: \$133,000.

1. As only 40% of the cost of this scheme is intended to be recovered from affected property owners, Council will need to provide for the estimated cost within its Capital Works Program. Funding is available within the current year capital budget, sourced from the Commonwealth Roads to Recovery Program.
2. The method of apportioning the costs for this scheme is uniform and based on access benefit only.
3. It is proposed under the scheme to invoice property owners for their apportioned project following completion of works. Options for payment per property/parcel/title are, full

payment within 45 days or 20 quarterly instalments (5 years) or 40 quarterly instalments (10 years) for all amounts. An interest component will be included where payment is to be made under either of these instalment programs.

4. The estimated cost per property with front abuttal is \$11,822. The estimated cost per property with a side abuttal is \$2,955, 25% of the front abuttal.

LEGISLATIVE IMPACT

This scheme has been prepared in accordance with Section 163, 163A, 163B of the *Local Government Act 1989*. Public notification will be in accordance with Sections 163 and 223 of the *Local Government Act 1989*. Submissions and objections to the scheme will be considered in accordance with Sections 163A, 163B and 223 of the *Local Government Act 1989*.

LEGISLATIVE IMPACT

Clause (2) of Section 163 of the *Local Government Act 1989* requires Council to determine:

- (a) The total amount of the special charge to be levied; and
- (b) The criteria to be used as the basis for declaring the special charge.

Clause (2A) of Section 163 of the *Local Government Act 1989* provides that for the purpose of Section (2)(a) the total amount of the special charge to be levied must not exceed the amount "S" where $S = R \times C$ and;

S = is the maximum total amount that may be levied from all the persons who are liable to pay the special rates or special charges.

R = is the benefit ratio determined by the Council in accordance with sub-section (2B).

C = is the total cost of the performance of the function or the exercise of the power under sub-section (1).

The Benefit Ratio "R" is calculated by:

$$\frac{TSB(in)}{TSB(in) + TSB(out) + TCB} = R$$

- **TSB(in)** is the estimated total special benefit of those properties that the council has decided to include in the scheme.
- **TSB(out)** is the estimated total special benefit of those properties with an identified special benefit that the Council does not propose to include in the scheme.
- **TCB** is the estimated total community benefit.
- **R** is the benefit ratio.

For the purposes of this scheme:

$$TSB(in) = 6 \text{ (no. of properties in scheme)}$$

$$TSB(out) = 0$$

$$\text{TCB} = 9$$

$$\text{Therefore:- } R = \frac{6}{6+0+9} = 0.40$$

and

$$S = R \times C$$

$$S = 0.40 \times \$133,000$$

$$\text{Therefore:- } S = \$53,200$$

COUNCIL POLICY IMPACT

The scheme has been prepared in accordance with Council's Special Charge Schemes – Roads, Street & Drainage Development Policy 4.2.4 and 2014 Residential Road and Street Construction Plan.

PLANNING POLICY IMPACT

The proposal has no impact on Planning Policy.

RESOURCES AND STAFF IMPACT

Implementation of the scheme can be undertaken within the resources of the Assets & Projects unit with the assistance of external contract engineering support for the survey and design of the scheme. In the event the scheme is adopted by Council, construction will be carried out by an approved contractor via a tender process.

COMMUNITY IMPACT

Implementation of this scheme will have a significant community impact as it will realise a fully constructed road for a local access road. Direct benefits will include the elimination of vehicle generated dust, improved through traffic conditions and road safety arising from the defined road location, associated signage and pavement markings and improved drainage.

ENVIRONMENTAL IMPACT

Implementation of this scheme will have a positive environmental impact arising from the reduction of dust generated by vehicles as well as improved quality of storm water runoff.

CONSULTATION IMPACT

A comprehensive public consultation process has been entered into with affected property owners including:

- Numerous discussions between property owners and Council staff during 2015 and 2016
- Information letter advising property owners of street works proposal 28 July 2016
- Public meeting held at Maffra, 15 August 2016
- Mail out survey of all property owners, 16 August 2016.

Further consultation will be through recommendation 2 & 3 of this report. The recommendation is for the notification by public notice of the opportunity to lodge submissions/objections to the proposed special charge street construction scheme.

RISK MANAGEMENT IMPACT

Implementation of the scheme will produce a substantial reduction in risk to motorists, cyclists and other road users through improved visibility (reduction of dust), properly identified through lanes and new signage and markings.

Attachment 1

MERRY STREET – MAFFRA - SPECIAL CHARGE STREET CONSTRUCTION SCHEME No 1603

PLAN OF SPECIAL CHARGE SCHEME AREA.

Scheme Boundary 



ITEM C4.2**ROAD DISCONTINUANCE – PART OF UNUSED GOVERNMENT ROAD AT BLACKWARRY**

DIVISION: BUILT AND NATURAL ENVIRONMENT

ACTION OFFICER: MANAGER ASSETS & PROJECTS

DATE: 18 OCTOBER 2016

IMPACTS									
Financial	Communication	Legislative	Council Policy	Council Plan	Resources & Staff	Community	Environmental	Consultation	Risk Management
✓		✓	✓	✓		✓		✓	

CARETAKER STATEMENT

The recommended decision is not a “Major Policy Decision” as defined in section 94A of the Local Government Act 1989 or a “Significant Decision” within the meaning of this policy.

OBJECTIVE

The objective of this report is for Council to consider a request by the Department of Environment, Land, Water & Planning (DELWP) for the discontinuance/closure and sale of a section of an unused Government Road adjoining Lot 1 PS 414931, on Youngs Road, Blackwarry. See attachments.

PUBLIC QUESTIONS AND COMMENTS FROM THE GALLERY**RECOMMENDATION*****That:***

- 1. Pursuant to Section 349 of the Land Act 1958, Council resolves to give its concurrence to the closing of a section of Government road adjoining Lot 1 PS 414931, in the Parish of Callignee and shown red on the attached plans;***
- 2. Pursuant to Section 400 of the Land Act 1958, Council gives notice that the portion of Government road adjoining Lot 1 PS 414931 in the Parish of Callignee, is considered to not be required for public traffic and is therefore an unused road.***

BACKGROUND

The owner of the property 190 Youngs Road, Blackwarry, (Lot 1 PS 414931 Parish of Callignee), has been in discussion with officers of the Department of Environment, Land, Water and Planning (DELWP) regarding a proposal to discontinue/close a section of Government road and to then purchase the section of closed road.

The section of Government road has never been used as a Public Highway and the road has been fenced into the adjacent property and used for grazing as a single farm property.

Under the *Land Act 1958*, DELWP must request consent from Council for the closure and determine whether this section of Government road is required for public traffic. DELWP is seeking consent from Council to the closing of the road shown red on the attached plans. The closure and sale will be done by DELWP and at no cost to Wellington Shire Council. DELWP at their discretion may contact adjoining property owners.

OPTIONS

Council has the following options available:

1. Support the discontinuance/closure and advise that the road is not required for public traffic pursuant to Sections 349 and 400 of the *Land Act 1958*; or
2. Not agree to the discontinuance/closure and advise that the unused Government road is required for public traffic.

PROPOSAL

That:

1. Pursuant to Section 349 of the *Land Act 1958*, Council resolves to give its concurrence to the closing of a section of Government road adjoining Lot 1 PS 414931, in the Parish of Callignee and shown red on the attached plans;
2. Pursuant to Section 400 of the *Land Act 1958*, Council gives notice that the portion of Government road adjoining Lot 1 PS 414931 in the Parish of Callignee, is considered to not be required for public traffic and is therefore an unused road.

CONFLICT OF INTEREST

No staff and/or contractors involved in the compilation of this report have declared a Conflict of Interest.

FINANCIAL IMPACT

The roads intended to be discontinued/closed are government roads and will be closed and sold by DELWP. This will be at no cost to Wellington Shire Council.

LEGISLATIVE IMPACT

Application for Council's consent to the road discontinuance/closure and unused road consideration is being undertaken pursuant to Sections 349 and 400 of the *Land Act 1958*.

COUNCIL POLICY IMPACT

There is no Council policy on road closures and determining the need for unused roads for public traffic. Each application is treated on merit.

COUNCIL PLAN IMPACT

The Council Plan 2013 – 2017 Theme 4 Infrastructure, states the following strategic objective and related strategy:

Strategic Objective

“Assets and infrastructure that meet current and future community needs.”

Strategy 4.1

“Undertake service delivery planning to provide community assets in response to identified needs”

COMMUNITY IMPACT

There will be no negative community impact as this section of Government road has not been used for many years and is not required for public road purposes.

CONSULTATION IMPACT

Consultation is undertaken with adjacent landowners and the public at the discretion of the Department of Environment, Land, Water and Planning.

Attachment 1.



Department of Environment, Land, Water & Planning

REF 15L10.7883

CONSENT TO CLOSING OF ROAD

Section 349, Land Act 1958

A road laid out on land of the Crown which is unused as to the whole or any portion of the length or width may be closed by the Governor in Council as to the whole or any part, as the case may be, by order published in the Government Gazette, but only with the concurrence in writing of the Council of the municipality in whose district the road is located, and of the owners of any land adjoining the road.

If the Council favours the closing of the road described in the next paragraph, its concurrence should be given in writing to satisfy the requirements of the relevant legislation. It is suggested that the form of consent at the foot of this sheet should be used to provide the written concurrence of the Council under seal, or under the hand of the Town Clerk or Shire Secretary.

The description of the road is **Government road adjoining allotment 1 PS414931, in the Parish of Calligree and shown shaded red on the attached plan.**

CONSENT

At the meeting of the Council of the Wellington Shire Council held on/...../..... it was resolved that the Council gives its concurrence to the closing of the subject road pursuant to Section 349 of the Land Act 1958. In giving this consent, Council is aware that should the road be closed, the effect will be that:-

- (a) the closing will be absolute;
- (b) the road will be shown as closed on all departmental plans and Office of Titles charts and on the titles of the abutting lands;
- (c) all rights of carriageway enjoyed by the public will cease; and
- (d) the land in the closed road will become unalienated land of the Crown and can be dealt with under the provisions of the Land Act, which includes the sale of the freehold.

Dated this day of 20.....

Council seal or signature)
)
of Shire Secretary or Town Clerk)

Note: If Council's consent is provided under delegation a copy of the appropriate "Instrument of Delegation" must be returned with this form

Department of
Environment, Land
Water & Planning
Victoria



Map Scale 1:5,000



Overview Map

The screenshot shows the 'Properties' dialog box for the file 'C:\Program Files\Internet Explorer\Internet Explorer.exe'. The 'Security' tab is selected, displaying a security level of 'High' and a list of security features. The 'Content Advisor' section is expanded, showing 'Content Advisor is enabled' and a list of content ratings.

[illegible]

Crown Land Manager: A4 Portait

doi:10.1371/journal.pone.0142060.g002

Produced on Thu Sep 08 16:06:16 EDT 2016

DEPARTMENT OF ENVIRONMENT, LAND, WATER AND PLANNING

SCHEDULE 4

Notice of a municipal council under section 400 that a road is unused.

Secretary to the Department of Environment, Land, Water and Planning

Under Section 400 of the Land Act 1958, the municipal council of the municipal district of

WELLINGTON SHIRE COUNCIL

gives notice that the road described in the Schedule below is considered by Council to not be required for public traffic and is therefore an unused road.

SCHEDULE

PARISH	DESCRIPTION OF LOCATION OF ROAD
Collingee	Government road adjoining Lot 1 PS414931. <i>As indicated by red shading on the attached plan</i>

* Signed:

Dated:

witness

* The seal of the municipal council of

as affixed to this on

by

witness

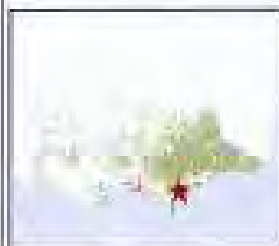
* Delete whichever is not applicable

Our ref. 15L10.7883

Department of
Engineering, United
States & Victoria



Map Scale 1:6,000



Overview Map

category	category_id	category_name
Books	1	Books
Music	2	Music
Video	3	Video
TV Shows	4	TV Shows
Video Games	5	Video Games
Software	6	Software
Hardware	7	Hardware
Services	8	Services
Other	9	Other

Disclaimer: This step is a snapshot generated from a single Greenfoot field. The intended way to do an experiment is to use the files of a Java class and to generate and to reproduce a different flow of my kind or to create scenarios for your particular purposes and therefore describe the activity in detail, but in a language which may differ from those listed. A general statement that you can do is to create scenarios and to create the scenarios in which the activity is done.

Covered Land Manager A4 Patrol

U.S. Fish and Wildlife Service, Washington, D.C. 20254

Produced on Thu Sep 28 15:06:49 EST 2018

Attachment 2.

**PROPOSED ROAD DISCONTINUANCE AND SALE OF
GOVERNMENT ROAD, YOUNGS ROAD, BLACKWARRY
PARISH OF CALLIGNEE**



GOVERNMENT ROAD TO BE DISCONTINUED AND SOLD



C5 - REPORT

GENERAL MANAGER COMMUNITY AND CULTURE



D. URGENT BUSINESS



E. FURTHER GALLERY AND CHAT ROOM COMMENTS



F. CONFIDENTIAL ATTACHMENT/S

F. CONFIDENTIAL ATTACHMENT/S



G. IN CLOSED SESSION

G. IN CLOSED SESSION

COUNCILLOR

That the meeting be closed to the public pursuant to Section 89(2) of the Local Government Act 1989 to consider:

- a) personnel matters*
- b) the personal hardship of any resident or ratepayer*
- c) industrial matters*
- d) contractual matters*
- e) proposed developments*
- f) legal advice*
- g) matters affecting the security of Council property*
- h) any other matter which the Council or special committee considers would prejudice the Council or any person*

IN CLOSED SESSION

COUNCILLOR

That:

That Council move into open session and ratify the decision made in closed session.