



WELLINGTON SHIRE COUNCIL

Annual Report

2022-2023



Acknowledgement of Country

Wellington Shire Council acknowledges our offices are located on the traditional lands of the Gunaikurnai nation. We pay our deep respects to their Elders past, present and future and acknowledge their ongoing cultural and spiritual connections to their land and waters.



Image: Port of Sale



Image: Heesco Mural Water Tower - Yarram

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Glossary

Section: One

Report of Operations



Tarra-Bulga National Park

1.1 Welcome to the Report of Operations (ROP) 2022/23

Wellington Shire Council is proud to present the 2022/23 Annual Report. This report is designed to keep our community updated about how we have performed over the past 12 months against the Council Plan 2021-25 and the 2022/23 Budget. In addition, this report provides a comprehensive overview of 2022/23 operations, including our accomplishments and challenges throughout the year. The report covers a wide range of topics, including information about our services and operations, corporate governance information and detailed audited financial statements.

Council is committed to transparent reporting and accountability, and we aim to provide our residents, ratepayers, state and federal governments, and other key stakeholders with an open, accurate account of our performance from 1 July 2022 to 30 June 2023. The report also provides Council staff with an overall picture of the way we have performed and how they have contributed to the community during the year. Our Annual Report fulfills the Council's statutory reporting obligations under the *Local Government Act 2020*, Local Government (Planning and Reporting) Regulations 2020 and other relevant legislation.

For further information please contact Council on 1300 366 244 or email: enquiries@wellington.vic.gov.au



Image: Sale Botanic Gardens

1.2 Snapshot of Council

Wellington Shire

profile

45,754

population

50.4%
male

49.6%
female

4.15

Persons
per square kms



11,000

square kilometres



11,979
families



23,503

private dwellings

81.2%
born in
australia



2.3
average people
per household

23%

Couples
with children

29.5%

Couples
without children

9.1%

One parent
households

28.2%

People
living alone

2.1%

Visitor only
households

8.1%

Other
households

INDUSTRY

Number of businesses

4,312

Employed residents

17,946

Top 6 industries makes up
63.3% of employment

- 1 Health care and social assistance **15.9%**
- 2 Retail trade **11.1%**
- 3 Agriculture, forestry and fishing **10.3%**
- 4 Construction **10.2%**
- 5 Education and training **8.0%**
- 6 Public administration and safety **7.8%**



Employed
full-time



Work
part-time



Employed,
away from work



Unemployed



People
living alone



Visitor only
households



Other
households

Purpose



Our Vision



*‘Happy people, healthy environment
and thriving communities.’*

Our Mission



*Working together to make a difference.
We listen and lead to provide quality services that
improve life for all.*

Our Values



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



Cooperation

Working together, teamwork, collaboration and being solution oriented.



Integrity

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



Balance

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



Professionalism

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



Sustainability

Going above and beyond to demonstrate commitment to leading sustainable practices and encouraging and supporting others to do the same.

Roads



Image: Upper Dargo Road - Dargo

- ❖ 58,344 square metres of sealed local roads reconstructed
- ❖ 670,000 square metres of local roads resealed
- ❖ 2,365km of gravel roads graded
- ❖ 7,898km of roadsides slashed
- ❖ 2,831 culverts cleared
- ❖ 2,477 urban drainage pits cleaned

Waste Management



Image: Waste & Sustainability team

Fast Facts for 2022/23

- ❖ 25.1% increase in tourism visitation figures to Wellington Shire from March 2022 to March 2023
- ❖ Attracted, funded and co-funded 18 major events to the broader region with attendance in excess of 50,000 people
- ❖ 17,048 walk-ins at the Central Gippsland Visitor Centre
- ❖ 2,403 walk-ins at the Maffra Visitor Centre
- ❖ 9,350 walk-ins at the Yarram Visitor Centre

Tourism



Image: Visitor Centre - Maffra

Immunisation



Image: Immunisation

- ❖ 1,095 immunisations administered

- ❖ 1,075,600 general waste collections
- ❖ 537,806 recycling collections

Fast Facts for 2022/23

Gippsland Art Gallery

- ❖ 36,111 visitors
- ❖ 46 exhibitions presented
- ❖ 142 public programs, workshops and artist talks provided
- ❖ 9,508 students and teachers engaged with the Gippsland Art Gallery Education Program
- ❖ 95 donated artworks valued at \$480,000 and 8 cash donations totalling \$78,456 received



Image: Gippsland Art Gallery - Sale

The Wedge Performing Arts Centre

- ❖ 20,652 attended performances
- ❖ 107 performances from 78 events presented



Image: The Wedge - Sale

Wellington Libraries

- ❖ 220,780 visits across Wellington Shire's Library Network
- ❖ 227,751 library collection loans, including eResources
- ❖ 17,482 attendees of the 1,298 programs and events presented across the library network
- ❖ 81,989 Wi-Fi and public computer sessions totalling 55,482 hours of use across the Library Network



Image: Library - Sale

Local Laws

- ❖ 138 animal complaints received
- ❖ 415 emergency after-hours incidents attended
- ❖ 8,614 dogs registered
- ❖ 2,114 cats registered



Image: Wellington Shire Council Pound & Animal Aid Shelter

Fast Facts for 2022/23

- ❖ 207,647 visits to Wellington Shire pools
- ❖ 39,608 visits to outdoor summer season pools
- ❖ 3,400 attendances Living Longer Living Stronger (over 50's strength and balance exercise program)
- ❖ 28,861 swim school attendances
- ❖ 1,080 swim school enrolments, highest number to date
- ❖ 137,562 Gippsland Regional Sports Complex visits

Leisure Services



Image: Aqua Energy - Sale

Image: Inspection of food premises



Environmental Health

- ❖ 288 food premises inspected
- ❖ 285 Onsite Wastewater Management System (OWMS) applications received
- ❖ 381 OWMS application inspections completed

Grants to support the community

- ❖ 34,837 Customer Service telephone calls received
- ❖ 18,482 face-to-face visitors managed by the Customer Service team

Customer Service

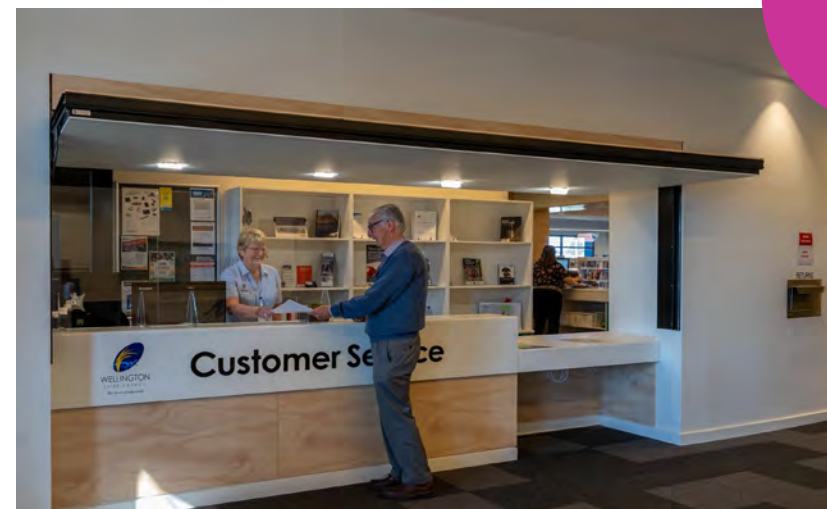


Image: Customer Service Centre - Yarram

- ❖ 49 organisations successful in receiving Community Assistance Grants to support community projects and events totalling \$252,186.40 in funding
- ❖ 42 organisations successful in receiving Quick Response Grants to support community projects and events totalling \$91,774.02 in funding



Image: Tarra Festival - Yarram

1.3 Highlights of the Year



Strategic Direction: Environment and Climate Change

‘We are a climate resilient community with sustainable practices and places’

Achievements:

- ✓ An automated irrigation system was installed at the Yarram Recreation Reserve reducing volunteer burden and improving water efficiencies. The project received funding through the Victorian Government's Local Sports Infrastructure Fund.
- ✓ The Nakunbalook Environmental and Cultural Education Centre was completed in late 2022. This asset provides a location for education programs, and opportunities to assist the community with the transition to a low carbon economy.
- ✓ Approximately 1,400 trees have been planted as part of the 2023 Urban Forest Renewal Program.
- ✓ Approximately 1,750 trees have been planted as a part of Greening Wellington.
- ✓ Council completed and adopted the Wellington Renewable Energy Impact and Readiness Study to help plan for future renewable energy investment in the Wellington Shire.
- ✓ Council secured state government funding via Department of Energy, Environment and Climate Action (DEECA) Strengthening Risk Assessment Approaches to Onsite Domestic Waste Management Plans and onsite assessments.
- ✓ LED lighting was installed at the Rosedale Recreation Reserve main oval. The project was funded by the Federal Government's Local Roads and Community Infrastructure Fund.
- ✓ Commenced working with eight of the municipality's highest disaster risk communities to develop Local Incident Management Plans to help prepare these communities to deal with future emergencies.
- ✓ Continued delivery of the LEARN Roads vegetation management program which aims to maintain safe vehicle access to communities during times of emergency.

1.3 Highlights of the Year



Strategic Direction: Economy and Sustainable Growth

'We are growing, sustainable and prosperous community'

Achievements:

- ✓ Council completed three Planning Scheme Amendments (Amendment C114, 115, 116) which rezoned land for housing purposes in North Sale and Longford.
- ✓ Council completed Amendment C109 which restructured and condensed the Wellington Planning Scheme for ease of use and to support 'cutting red tape' changes.
- ✓ Council secured state funding to undertake two feasibility studies exploring the opportunities around broiler processing facilities and a multi-purpose feed mill.
- ✓ Council was a key partner in the establishment of the Tertiary Study Hub located in Sale which launched in July 2022.
- ✓ \$800k+ in property sales completed / progressing as part of surplus Council property.
- ✓ A new commercial lease for the Port Albert food premises was successfully negotiated.
- ✓ A number of land acquisitions to be progressed by agreement.
- ✓ Council secured state funding to support preparation of the Wellington Growth Management Strategy
- ✓ Council secured state funding to continue the rollout of the Local Development Strategy in the towns of Heyfield and Yarram in response to Timber in Transition.
- ✓ Council secured state funding to deliver a digital toolbox series to assist approximately 100 businesses to improve their online presence and technological skills.
- ✓ Council secured funding to continue the successful "Business Concierge" role.

1.3 Highlights of the Year



Strategic Direction: Liveability and Wellbeing

'We are a liveable, engaged, and supported community'

Achievements:

- ✓ Multipurpose court redevelopment was completed at the Briagolong Recreation Reserve providing the local community compliant tennis and netball courts with social soccer and basketball court provision. The project received funding through the Victorian Government's Female Friendly Facilities program.
- ✓ Successful funding application for the construction of a 2-room, 66 place modular kindergarten for Yarram.
- ✓ Officially opened the 20 years in the making 'Warmer Pool for Yarram' facility, following significant infrastructure improvements.
- ✓ Gippsland Regional Sports Complex (GRSC) increased social sports offerings, to cater for all ages and abilities. Activities offered included Badminton, Table Tennis, Volleyball and 3x3 Basketball.
- ✓ Great Southern Rail Trail Extension from Alberton to Welshpool – This joint project with South Gippsland Shire will connect Alberton with Welshpool (21km). When complete, this project will enable bike riders to ride from Yarram to Nyora.
- ✓ Reconstruction and extension of the four tennis courts and lighting at the Nambrok Recreation Reserve to provide multipurpose space to service both tennis and netball users.
- ✓ Council successfully advocated for funding for the consolidation of Sale College.
- ✓ Running of the inaugural Day at the Port event at the Port of Sale precinct, attracting over 10,000 people from across the region welcoming visitors of all ages and abilities.

1.3 Highlights of the Year



Strategic Direction: Services and Infrastructure

'We are a connected community with access to the services and infrastructure we require'

Achievements:

- ✓ Successful datacentre and ICT Infrastructure improvement and consolidation works undertaken in collaboration with East Gippsland Shire Council to ensure improved operational efficiency, cyber and data security, reduce infrastructure complexity and overall ICT/environmental footprint for both councils.
- ✓ Completed the installation of a power generator at the Port of Sale building to ensure business continuity and power security of building and ICT Services during unplanned power outages and to ensure power continuity during emergency events such as fire and floods.
- ✓ Completion of 'The Middle of Everywhere' town entry signage project.
- ✓ Works at the Port of Sale commenced to provide new sea wall, footpath and jetties.
- ✓ Completion of the 'Sale Revitalisation Project – Streetscape' works to replace and upgrade the road pavement, concrete footpath, kerb and channel and street furniture including:
 - Enhanced landscaping along the roadside and centre median
 - New centre median lights to improve lighting
 - Upgrading of both traffic and parking lanes to a smoother asphalt riding surface from Raglan to Foster Streets and from York to Reeve Streets
 - Installation of traffic signals at the York and Cunninghame Streets intersection (McDonalds)
- ✓ Landslip rectification works on Jamieson-Licola and Wonnangatta Roads

1.4 Our Challenges

- Increased capital project costs with reduced external funding opportunities
- Delay in the announcement and release of government funding programs due to elections at both state and federal level
- Withdrawal of external funding ie: Vulnerable Person Register Resource funding
- Increasing energy and maintenance costs for operating leisure facilities
- Reduction in suitably qualified key industry staff
- Cost of living impacting the community's ability to access key health and leisure facilities
- Maintaining key community programming and services during the Aqua Energy Redevelopment
- Increasing cyber compliance resourcing and costs
- Management and risk mitigation of cloud computing and artificial intelligence services
- Legacy system modernisation including records management replacement and end-of-life software
- Navigating the evolving legislative frameworks and complying with changing regulations to effectively manage risks and ensuring good governance practices
- Ongoing cyber security challenges and sophisticated cyber threats
- Increasing complexity of state government policy to support rezoning of land
- Due to significant increases in the cost of logistics, patrons have experienced a sudden and dramatic reduction to the range of Libraries Victoria resources
- There were a number of roads affected by landslips requiring emergency remediation works which diverted attention and resources from delivering the approved capital works program for 2022/23 delaying those works to the 2023/24 program
- In addition to our response to emergency works, the cumulative effect of high average rainfalls over the last three years have led to significant resources being directed to key roads on our network which have rapidly deteriorated as a result
- The unit rate for the road sealing program continues to inflate due to increasing costs in materials. This will continue to impact many of Council's projects and operational activities

1.4 The Future

- Aqua Energy Leisure Centre redevelopment
- Completion of the Port Albert and Stratford Memorial Park toilet blocks
- Introduction of the Food Organics Garden Organics (FOGO) bin roll out to residents and resource recovery service
- Completion of the Great Southern Rail Trail extension from Alberton to Welshpool
- Major road rehabilitation projects on impacted roads from the previous years of high rainfall and increasing commercial use
- Completion of the Port of Sale mooring access project
- Improvement of Built Environment business systems to support our service into the future
- Completion of the Stratford Recreation Reserve Pavilion and oval lighting upgrade
- Continued delivery of urban paths program to provide alternative healthy means of travel choices and to promote active lifestyles within the community
- Construction of street upgrades inline with Council Residential Road and Street Construction Plan and adopted Special Charge Schemes
- Implementation of a new Electronic Document Records Management Solution (EDRMS) to replace Council's outdated Records Management System
- Implementation of cyber security improvement Initiatives
- Implementation of a new Customer Request Management System to automate and streamline the Council's customer request workflow
- Implementation of a new Human Resources Information System (HRIS) to replace existing software solutions and amalgamate into one platform
- Development and introduction of a Capability Framework to assist performance development discussions and talent building and planning
- Implementation of the Risk Management Action Plan which sets out our continuous improvement strategy over the next 12 months
- Release of further urban zoned land to support development and population growth, including to support renewable energy investment
- ANZAC weekend airshow returning to Sale in 2024
- 2023 Gippsland New Energy Conference located in Sale following the inaugural conference in 2022
- Progressing the Sale College campus consolidation

2.1 Mayor's Message

On behalf of Wellington Shire Council, I am pleased to present the Annual Report 2022/23.

This year highlights the achievements and challenges experienced throughout the financial year 1 July 2022 to 30 June 2023 and includes detailed information for our community on the progress made against the key objectives of our Council Plan 2021-25. We are in a good position to deliver on all objectives by 2025.

This year has allowed our community to really bounce back from years of heartache, bushfires and major emergency events including the pandemic, all changing how we work and support our communities. As we return to our post pandemic life, we are embracing new ways of working and connecting with our people.

One of Council's key priorities, identified by our community, remains our response to Climate Change. The last 12 months have seen a strong focus on renewable and new energy transition throughout the region. Wellington Shire has positioned itself as the leader in new energy throughout Gippsland, strengthened through the launch of the Gippsland New Energy Conference at The Wedge Performing Arts Centre in 2022. The conference welcomed leaders from local and state government, industry, and the community to share in the latest developments in renewable energy projects planned for Wellington and the broader Gippsland region.

We continue to lead Gippsland's renewable energy response, creating the *Wellington Renewable Energy Impact and Readiness Study* to plan for future renewable energy investment across our Shire. The study acknowledges the scale and impact of more than \$40 billion of planned renewable energy investment in the Gippsland region, commenting on the challenges and opportunities that exist for Wellington.

To mitigate and adapt to climate change and changing environments, we are also focused on building disaster resilient communities. Our team continues to facilitate community-led emergency management, planning and preparedness outcomes to support our most vulnerable and at-risk



Image: Wellington Shire Council Mayor – Cr Ian Bye

communities. The Leave Early Access Road Network (LEARN) roads vegetation program completed 48km of mulching and removed 23km of hazardous trees, helping to maintain safe vehicle access to communities during times of emergency.

We continued to advocate to the state and federal government to create opportunities for our community to continue to grow and prosper. Over the past year we have seen significant challenges experienced by our local mainstay industries – none more prevalent than the abrupt shutdown of the native timber harvesting industry in Victoria.

In the wake of this significant adversity and challenge, we have worked closely with communities to recognise our vision of **happy people, healthy environment and thriving communities**. The last 12 months have been incredibly stressful for our timber communities, particularly towns like Heyfield and Yarram that have been devastated by the looming loss of the native timber industry come 2024. The Heyfield and Yarram Local Development Strategy projects have delivered some incredibly innovative ideas for transition into new and emerging industries.

Council will continue to support affected communities, advocating for tangible job transition for the hundreds of impacted workers and their families. This advocacy work took myself and my fellow Councillors to Parliament House in Canberra earlier this year, providing the opportunity for high-level discussion and to have the voices of our community heard. I thank our community for supporting this work and continuing to show resilience through challenging times.

The demand for housing has only increased this year, and we have unlocked land for major housing development to progress in the long-established growth areas of North Sale and Longford. I am looking forward to supporting this growth throughout the next 12 months.

We continue to develop our relationship and history of First Nations people, working in partnership with Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC). Delivering cultural awareness training, ensuring our staff and Councillors are leading the way through education and historic storytelling.

The Middle of Everywhere campaign continues to go from strength to strength. The Middle of Everywhere Gippsland Rally took place in the High Country local to the Wellington region, successfully welcoming over 1,000 people, introducing them to our places, spaces and wonderful community. The Middle of Everywhere Gippsland Rally National Championships has been secured for another year and I look forward to again welcoming new and returning visitors. It doesn't stop there, I am also thrilled to report that The Middle of Everywhere tourism campaign has increased tourism by over 25% in the last 12 months, and a highlight for me was working with MasterChef Khanh Ong to showcase local businesses and produce to a nationwide audience through 'Khanh Ong's Wild Food', which aired on SBS free-to-air and on-demand.

As our community grows, so does our infrastructure needs. This year, our capital works program saw \$32.3 million spent with completion and progress made on a range of projects including road reseals and re-sheeting, landslip rectification works, traffic management projects, shared footpaths, drainage improvements, LED lighting and building upgrades. We continued to maintain our existing infrastructure and open spaces -

some of the highlights include the opening of Nakunbalook Environmental and Cultural Education Centre at the Sale Botanic Gardens, delivery of the Nambrok Recreation Reserve Reconstruction, including extension of four tennis courts and updated lighting for multi-purpose use, and completion of the Seaspray Pump Track.

The Sale Revitalisation Project saw streetscape works to improve the amenity of Sale's main York Street thoroughfare, providing updated accessibility, lighting and landscaping. Works in Loch Sport and Port Albert included streetscape works, improving accessibility through kerb and channel, footpaths and improved parking. The expansion of the Great Southern Rail Trail from Alberton to Welshpool is nearing completion, and we are looking forward to celebrating this project with the community.

Our commitment to building a sustainable future and protecting the natural environment is supported through our Urban Forest Renewal Program, planting 1,400 new street trees (and over 800 trees in Rosedale alone), increasing canopy cover throughout the municipality. We have also delivered additional electric vehicle charging stations across the Wellington region, supporting locals and visitors to make the easy and sensible transition to a hybrid or fully electric vehicle.

Arts and culture have played a vital role in our community, the inaugural Day at the Port event took place at the Port of Sale precinct in February, attracting over 10,000 people from across the region. The festival-like event welcomed visitors of all ages and abilities and showcased local vendors and entertainers along with free carnival rides and a fireworks display. We also completed a large-scale review of our library services, with an updated Library Services Plan to support future programming. Council's Arts and Culture Strategy is looking forward to an update, with hundreds of people participating in community consultation to inform the next five years of arts and culture programming and investment. The Victorian Sculpture Prize attracted 4,000 visitors and 150 exhibiting artists to the Port of Sale precinct, and Australian music royalty The Whitlams performed to a sold out audience at The Wedge Performing Arts Centre.

Visitors to leisure service facilities skyrocketed this year with a 21% increase in swim school enrolments at Aqua Energy, and close to 40,000 visits to outdoor pools throughout the Summer Swim Season - the highest number in seven years! We continue to recognise the important role of community-led projects, awarding just over \$252,000 in Community Assistance Grant funding to 49 community groups across the Shire. To show our appreciation to local volunteers we hosted a series of National Volunteer Week thank you events to acknowledge the hard work, dedication, and loyalty of local volunteers.

This year has also seen Council focus on securing funding opportunities to deliver increased early years education services to support local communities. We successfully introduced a new Kindergarten Central Registration Service to streamline kindergarten registrations for parents and carers. The program has since placed over 600 children into three and four year old kindergarten for 2024.

Council secured \$2 million in state government funding to expand the Yarram Early Learning Centre located at the Yarram Hub, providing an additional 66 kindergarten spaces, and a further \$150,000 to progress the concept designs of the new Sale Integrated Centre for Children and

Families – expected to provide a combined 122 activity spaces for early childhood and community use in 2026. This infrastructure will help to meet the demand for family services, further advancing our position as a premier region to live, work and raise a family.

Each year offers its own unique challenges, and this year we've focused on supporting our key priorities across Climate Change, Economy in Transition, Partnering with Gunaikurnai, Sustainable Population Growth and Better Access to Key Services. I thank all staff and the community for their support of our strategic direction.

Other Key Highlights of 2022/23 were:

- Commencement of Landslip Rehabilitation Works on Dargo High Plains Road
- Installation of the automated irrigation system at the Yarram Recreation Reserve
- Progressed the designs for a changeroom refurbishment at the Cameron Sporting Complex main oval pavilion
- With the support of key stakeholder engagement, the detailed design was completed for the Aqua Energy Redevelopment Project
- Completed The Middle of Everywhere town entry signage
- Secured The Middle of Everywhere Gippsland Rally (National Championships)
- Secured the Gippsland New Energy Conference in Sale for 2023
- Council completed and adopted the 24 hour Cat Curfew across the Shire
- A new lease for the iconic Port Albert fish and chips was successfully negotiated and a number of land acquisitions progressed by agreement
- Commencement of the Port of Sale Mooring Access project in Sale, providing a new sea wall, footpath and jetties at the Port of Sale
- Delivery of a successful Parks Week 2023
- Officially opened the 20 years in the making 'Warmer Pool for Yarram' facility, following significant infrastructure improvements
- Over 120 students enrolled in seasonal learn to swim classes at the Yarram Pool
- Commencement of the Seaspray Levee Upgrade project

As I reflect on the last 12 months, there is so much to be proud of. We find ourselves on the precipice of great opportunity for our region. Although it hasn't come without its challenges, I thank everyone who has engaged with us and taken part in our governance process. Council will continue to enhance the local community by fostering wellbeing and liveability, the environment and support for our local economy. Thank you to all I have worked with this past year – my fellow Councillors, the wider community, volunteers and Council staff for their help in making my second term as Mayor one that I will hold onto as we turn opportunity into reality over the next 12 months.

Councillor Ian Bye
Mayor

2.2 Financial Summary

This summary should be read in conjunction with section two [Performance Statement](#) and section three Financial Statement of this Annual Report.

Performance to Budget

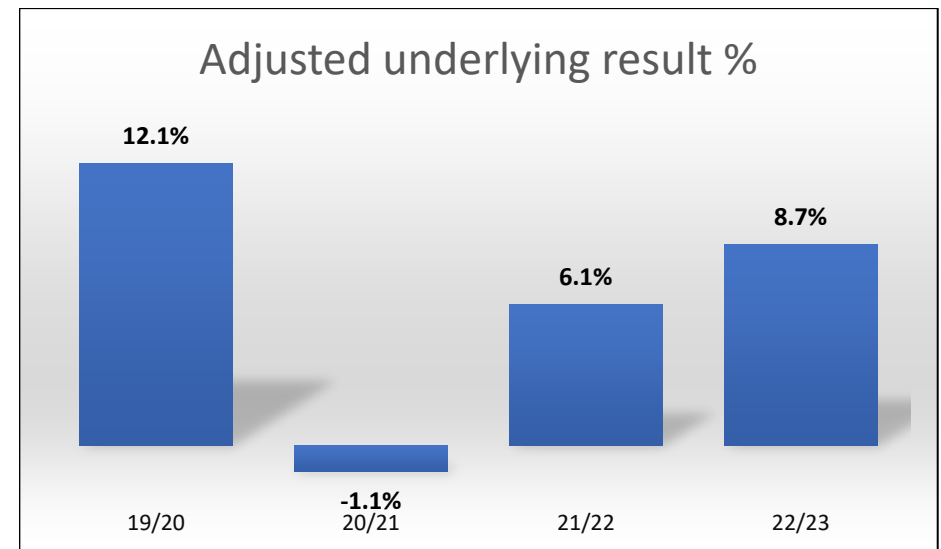
Council finished the year with a surplus of \$22.28 million (excludes asset revaluation increment), against a budgeted surplus of \$13.50 million, a variance surplus of \$8.78 million.

The following major factors influenced this result:

- Council received 100% of its 2023/24 Victoria Grants Commission (VGC) allocation of \$17.1 million in June 2023, which will be carried forward into FY 2023/24.
- Interest on investments is above budget by \$3.2 million, due to higher rates and a higher than budgeted cash balance.
- The non-cash accounting adjustment of \$2.7 million for landfill rehabilitation estimates is a result of changes to the discount rate and slightly lower CPI increases.
- Offsetting these budget surpluses is depreciation which has increased by \$2.1 million due to the annual Capital Works program as well as the revaluation of assets in 2022 of \$99.1 million.

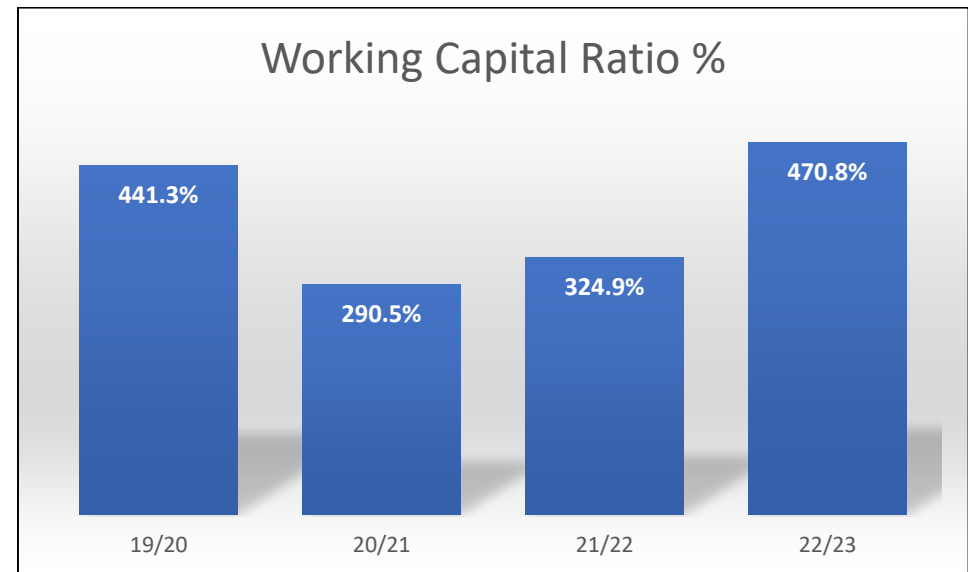
Adjusted Underlying Result

The adjusted underlying result, pictured to the right, excludes non-recurrent capital grants, other revenue received towards capital projects, non-monetary asset contributions (gifted assets and developer subdivision contributions) and the effects of asset revaluations. The 2022/23 adjusted underlying result of 8.7% is in the acceptable ranges of (20%) to 20%. Achieving an underlying surplus is a critical financial strategy that provides capacity to renew Council's assets, and this is an ongoing challenge for councils with an extensive road network and lower populations than metropolitan councils.



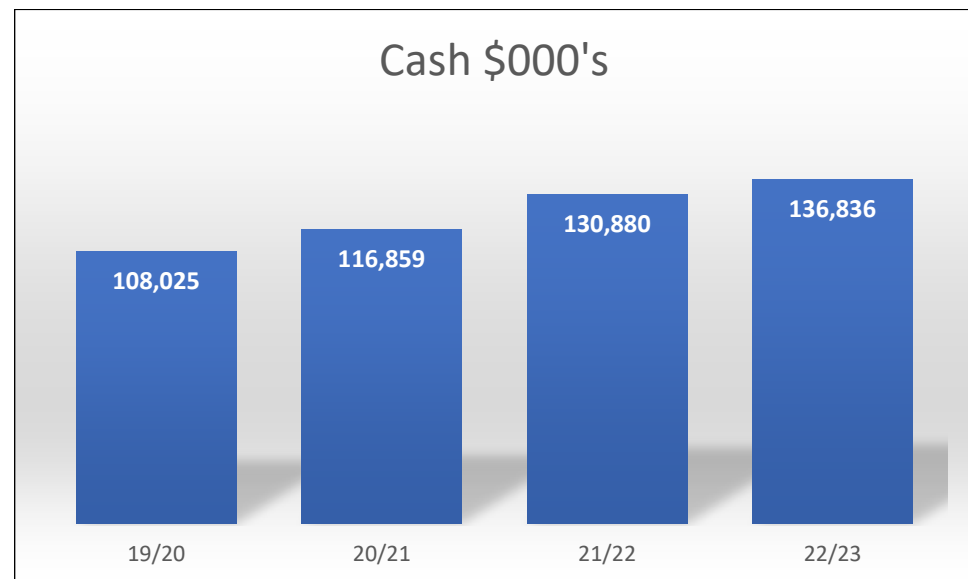
Liquidity

Working capital at the end of the year was \$116 million or 470.8%, which is higher than the 2022/23 Council’s budgeted position of 347.6%. The working capital ratio which assesses Council’s ability to meet current commitments is calculated by measuring Council’s current assets as a percentage of current liabilities. Council’s result of 470.0% reflects our strong financial position and is above the expected target band of between 120% and 200%. Ignoring cash, which is restricted for specific purposes the ratio reduces to 335.3%.



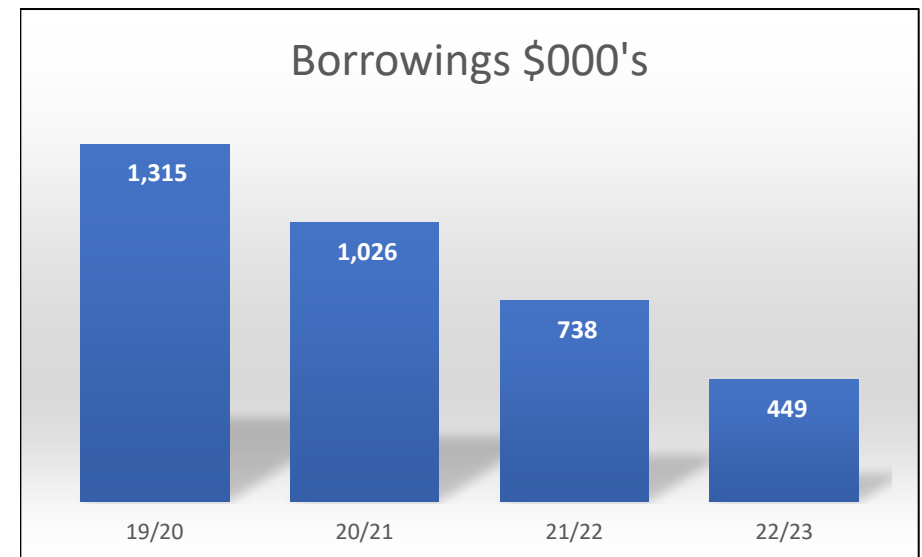
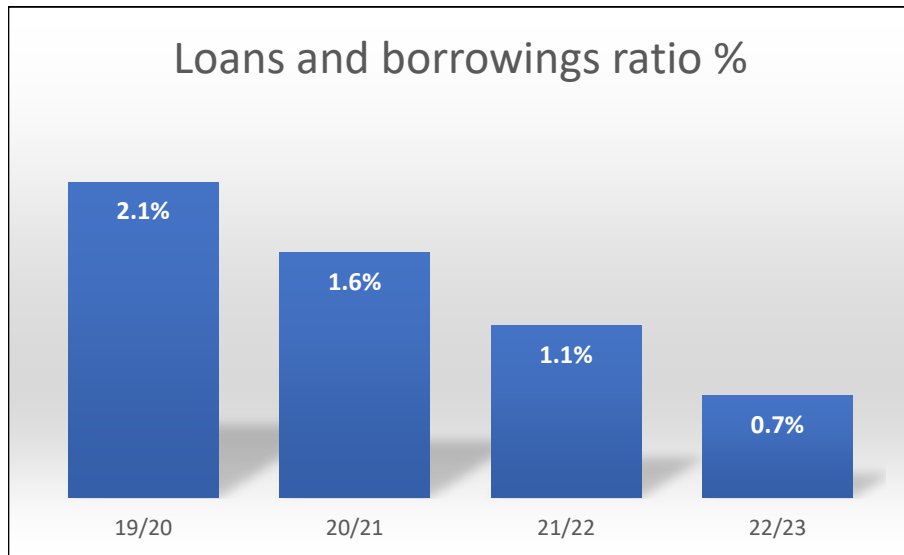
Cash

Council’s cash including term deposits greater than 90 days’ maturity (classified as other financial assets) finished at \$136.8 million against a budget of \$125.3 million, with \$24.3 million reserved for specific purposes in future years including completion of carried forward capital works and major operating projects, trust funds and deposits, the 2023/24 Victoria Grants Commission advance and funds for future waste infrastructure projects and major plant purchases.



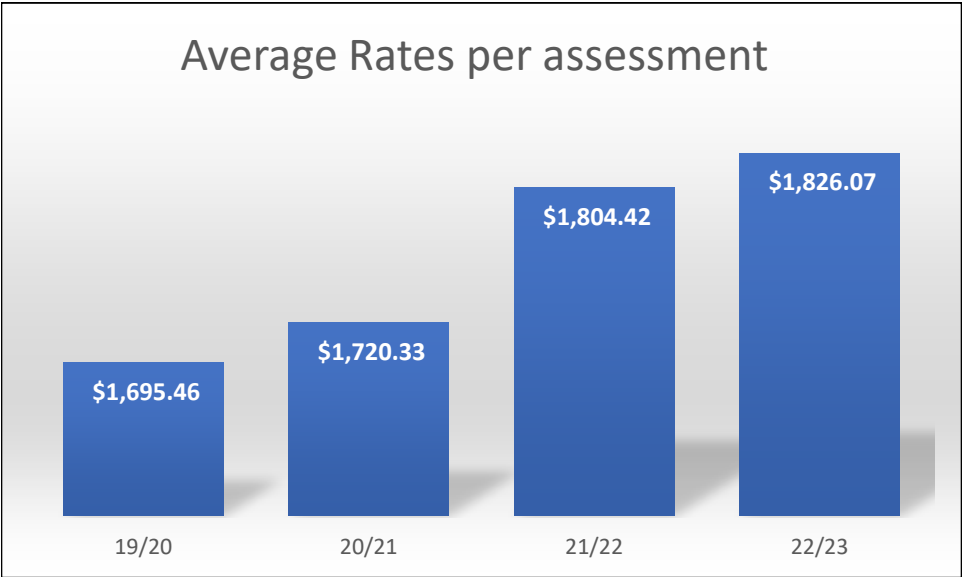
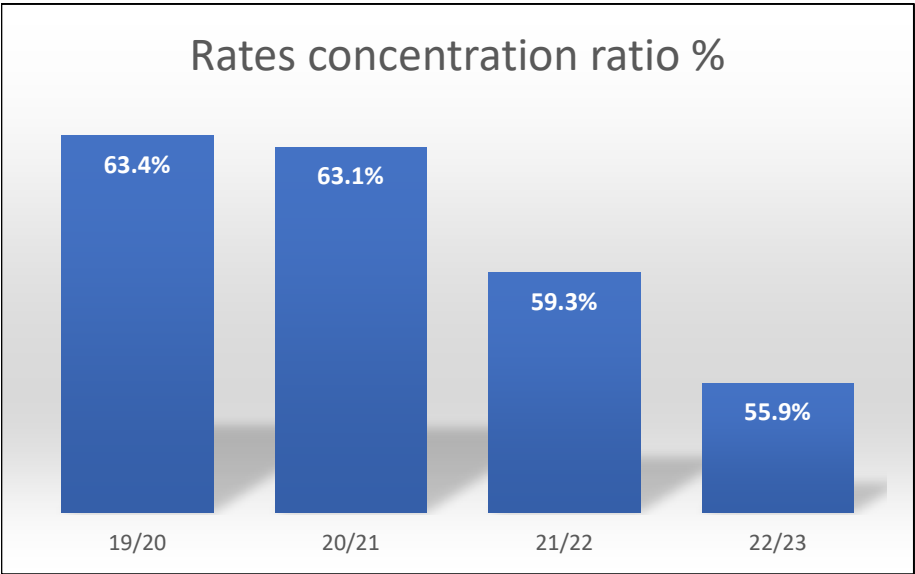
Obligations

During the 2022/23 year no new loans were secured. At the end of the year, Council's debt ratio was 0.7% well within the expected target band of 0% - 70% and is also in line with Council's Borrowing Strategy of no more than 40% of annual rate revenue. Planned borrowings of \$10 million were not required.



Stability and Efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Council’s rates concentration which compares rate revenue to adjusted underlying revenue was 55.9% for the 2022/23 year. Council average rates per assessment was \$1,826.07, an increase of \$0.42 per week on the prior year.

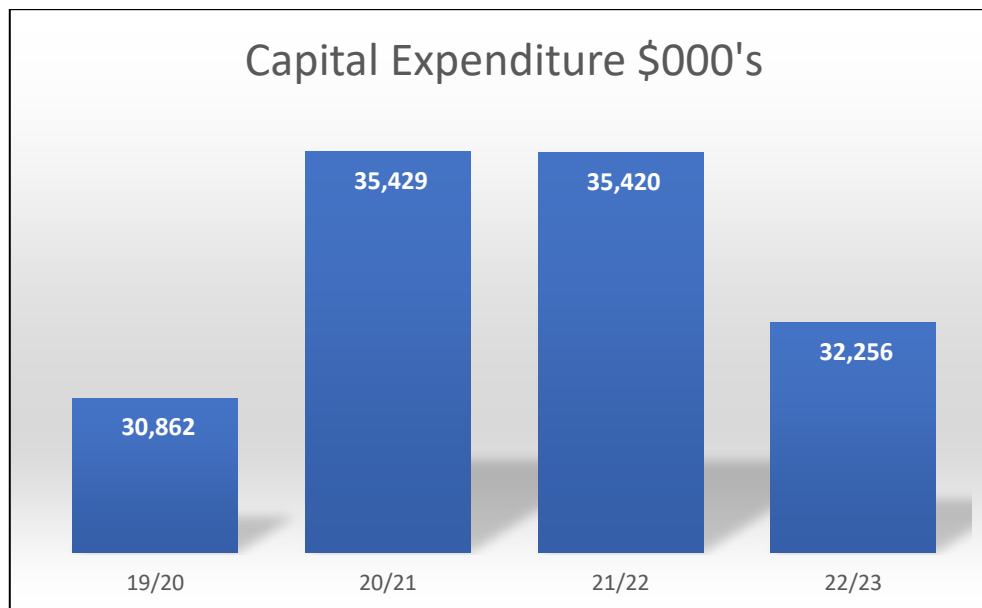


Capital Expenditure

A total of \$32.3 million was expended on capital works in 2022-23 with \$21 million spent on rehabilitating and upgrading roads, bridges and footpaths which included \$5.7 million on the asphalt resheeting and rural and urban road reseal program.

Projects completed throughout the year included: York Street Sale CBD Renewal Program; Nakunbalook Education Centre; Stephenson Park Pavilion and Changerooms Port Albert Boat Ramp and Jetty Upgrades; and projects to install Solar Panels at the Yarram Recreation Reserve and Stratford Library. Reconstruction of the following road and streets was also undertaken – Lawler Street Yarram, Wharf Street Port Albert, Grimmes Road Denison, Weir Road Tinamba West and Golf Course Road Heyfield.

\$2 million was also spent on upgrading parks, gardens and various streetscapes across the Shire.



2.3 Description of Operations

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

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

Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan 2021-25 and the associated Budget 2022/23 and are reported upon in this document.

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

Refer to the section on 'Our Performance' for more information about Council services.



Image: Port Albert

Economic Factors

The Australian economy has continued to be relatively strong, however growth has slowed in early 2023 as higher interest rates and inflation influence price hikes, especially in the construction industry. This has seen many tender submissions for large scale projects coming in well above budgeted prices. Price growth has also been influenced by global shipping costs and import prices.

- Utility prices continue to rise especially gas and electricity as global factors influence local supply.
- Interest rates on term deposits have continued to increase over the last 12 months.
- CPI has remained above 6% for the 2022/23 financial year finishing at 6.1% at 30 June 2023.



Image: Local economy continues to strengthen



Image: Nakunbalook Environmental and Cultural Education Centre under construction - Sale



Image: Nakunbalook opening ceremony - Sale



Image: Nakunbalook Environmental and Cultural Education Centre in operation - Sale

Capital Works

Nakunbalook Environmental and Cultural Education Centre is a joint project between Wellington Shire Council and Gunaikurnai Land and Waters Aboriginal Corporation, providing a facility to host events and learning programs focused on sustainability and culture.

Nakunbalook is a Gunaikurnai name meaning 'Grandfather Gumtree', which represents knowledge and place.

The site on the banks of lakes Guthridge and Guyatt in Sale has many families of red gums with high cultural and biodiversity values.

The \$650,000 centre opened in August 2022, and showcases many environmentally sustainable design elements and low impact materials, such as rammed earth walls, solar power, double glazed windows and energy efficient lighting.

The building plays host to events and learning programs with a focus on sustainability and culture, such as Wellington Shire Council's Sustainable Living Education Program, environmentally minded community group meetings, workshops, citizen science pop-up labs and Aboriginal cultural experiences.

Community groups such as Seed Community Garden and Friends of the Sale Botanic Gardens use the facility regularly, as do the centre's education partners Bug Blitz, TAFE Gippsland, Federation University and Parks Victoria.

Nakunbalook, funded by Wellington Shire Council, GLaWAC and the John Leslie Foundation, and managed by Council, supports two of the priority areas identified in Wellington Shire's Council Plan 2021-25. These are actions on climate change and partnering with Gunaikurnai; as well as two goals in the Gunaikurnai Whole of Country Plan; 'To heal our Country' and 'To Have a Strong Focus on Learning'.

Capital Works

Princes Highway Revitalisation Works

This project is a continuation of Wellington Shire Council's work to revitalise the municipality's main streets and CBD precincts, made possible through federal government funding.

The project involves:

- Streetscape works to replace and upgrade the concrete footpath, kerb and channel and street furniture
- Enhanced landscaping along the roadside and in the centre median
- New centre median lights to improve lighting
- Upgrading of both traffic and parking lanes to a smoother asphalt riding surface
- Installation of traffic signals at the York Street and Cunninghame Street intersection (McDonalds)
- Road upgrade asphalt re-sheet on Foster Street from York Street to Reeve Street in Sale

A major part of this project is the installation of traffic signals at the McDonald's intersection, taking into consideration:

- Increased traffic along Princes Highway providing few gaps for turning traffic
- Queues along Cunninghame Street from the McDonald's drive-through
- Queues from the McDonald's drive-through occasionally blocking the Intersection

Council will continue to monitor the operation of the McDonalds drive through post installation of traffic signals.



Image: York and Cunninghame Street intersection view from Cunninghame Street, looking East - Sale



Image: York and Cunninghame Street intersection view from York Street, looking North - Sale

Streetscape, Footpaths and Landscaping

The streetscape works between Foster and Macalister Streets and Stawell and Raglan Streets match the works already completed in Foster and Macarthur Streets, Sale. The works between Macalister and Stawell Streets match works in Raymond Street, Sale and Johnson Street, Maffra. All streetscape works have the same look and feel as the recent upgrades in the CBDs of Yarram, Rosedale, Maffra and the outer York Street areas.

Council has worked with Landscape Architects to enhance the precinct, aiming to encourage traffic to stop and explore the Sale CBD.

An avenue of large canopy trees (*Angophora costata*) line the streets in this section, with visually pleasing impact trees (*Brachychiton populneus*) planted at the main intersections of Macalister Street, Cunninghame Street and Macarthur Street. The existing poorly performing trees and grass in the median strips have been replaced with the palm *Livastona australis* which grows naturally in East Gippsland, along with a tapestry of small shrubs and ground covers.

Key features of the landscaping include:

- Highly ornamental shrubs and ground covers (not exceeding 500mm)
- Low water use plants
- Low maintenance requirements
- Strong focus on native and indigenous plants that are suitable for a changing climate
- Reuse of storm water to support healthy tree growth
- Tree pits to support healthy tree growth, while reducing the impact roots have on infrastructure and services



Image: York Street redevelopment - Sale



Image: York Street redevelopment - Sale

Major Achievements

- Secured \$2 million through State Governments Building Blocks to complete the Yarram Early Learning Centre modular expansion.
- \$496,000 funded by the State Government's Local Sports Infrastructure Fund - Female Friendly Facilities program enabled the completion of the Nambrok Recreation Reserve Multipurpose Courts redevelopment.
- Plans to progress the designs for a changeroom refurbishment at the Cameron Sporting Complex main oval pavilion supported by \$30,000 through the State Government's Local Sports Infrastructure Fund.
- Secured \$113,000 through the State Government's Local Sports Infrastructure Fund - Community Facilities program towards the automated irrigation system at the Yarram Recreation Reserve.
- \$250,000 towards LED Lighting for the Stratford Recreation Reserve main oval was secured through the State Government's Local Sports Infrastructure Fund - LED Lighting program.
- Secured \$150,000 through the State Government's Building Blocks - Planning stream to progress the concept and schematic designs of the Sale Integrated Centre for Children and Families.
- An additional \$180,000 of funding was secured through Department of Families Fairness and Housing towards the changing places facility, as part of the Aqua Energy Redevelopment.
- Secured the 'The Middle of Everywhere' Gippsland Rally (National Championships).
- Officially opened the 20 years in the making 'Warmer Pool for Yarram' facility, following significant infrastructure improvements.

Major Changes

- Council completed and adopted the 24 hour Cat Curfew across the Shire.
- Council extended the Flexible Working Arrangements policy in relation to working from home provisions.
- Council commenced direct management of the Kilmany Landfill operations.
- Establishment of the Organisational Performance and Governance business unit to oversee compliance requirements.

3.1 City Profile

Wellington is geographically the third largest municipality in Victoria, covering an area of 11,000 square kilometres. Easily accessible from Melbourne via road or rail, travel time is a convenient 2.5 hours.

The Wellington region is marketed as ‘The Middle of Everywhere’, due to its enviable location, with everything any resident, visitor, tourist or investor could ever want or need. Showcasing all that Gippsland has to offer, Wellington Shire extends from the Great Dividing Range and Victoria’s High Country, through rich irrigated flats and pristine grazing land, to the internationally significant Gippsland Lakes and wetlands and the Ninety Mile Beach and Bass Strait.

The most recent population data from the Australian Bureau of Statistics indicates that there are many people who agree that Wellington is ‘The Middle of Everywhere’, with the population increasing by 4.15% growing from 43,928 in 2018 to 45,754 in 2022. Wellington Shire Council continues working hard to ensure there is a supply of new residential and industrial land to encourage current and future growth.

Wellington is renowned for its quality public spaces, including parks and gardens and public buildings and infrastructure. A drawcard is top quality facilities for sport, health and entertainment. The Port of Sale precinct continues to bring together the very best in arts and culture, with The Wedge Performing Arts Centre, Gippsland Art Gallery, Sale Library, meeting areas, cafes and youth spaces such as the skate park and broader outdoor precinct.

The Gippsland Regional Sports Complex offers outstanding facilities including indoor basketball/multi-use courts, a state-of-the-art hockey precinct, outdoor netball courts, meeting rooms and kiosk. Aqua Energy Leisure Centre offers indoor and outdoor swimming pools, modern gym, group fitness space and a café. We are looking forward to the completion of the Aqua Energy Redevelopment in 2025.

Wellington Shire also boasts some of the best schools in Gippsland across public and private primary and secondary, vocational training and further education. In August 2022 TAFE Gippsland officially opened a new campus just a stone’s throw away from the Port of Sale precinct, offering a wide range of programs.



Image: Sale Clocktower

Over 15% of the Wellington Shire population works within the health care and social assistance sectors and over 10% in the agricultural/forestry/fishing sectors, with other local opportunities ranging from manufacturing and construction to retail, mining, public sector and education, community services, arts and recreation.

Wellington Shire is becoming a major renewable energy hub, with the establishment of \$40 billion in renewable energy investment underway throughout Gippsland.

Wellington Shire is also the location of RAAF Base East Sale, a major air and ground training base and home to the famous Roulettes aerobatic team. Training units include No 1 Flying Training School, Air Mission Training School, Central Flying School, Officer Training School and the School of Air Traffic Control, as well as Headquarters Air Academy.

With Yarram Aerodrome in Wellington Shire and aerodromes located throughout central and east Gippsland, there are extensive facilities for defence, general and recreational aviation and considerable capacity for expansion.

Esso Australia's Longford gas plant, south of Sale, supplies gas to Victoria, New South Wales and Tasmania. A number of local companies provide services to the Bass Strait oil and gas industry, operated by Exxon Mobil (Esso).

The Macalister Irrigation District (MID), with its centre at Maffra, supports Wellington Shire's strong dairy, beef and vegetable growing industries comprising award-winning businesses providing goods Australia-wide.

Native timber is another natural resource which contributes to the local economy through direct employment, contract and transportation services. Australian Sustainable Hardwoods (ASH) located in Heyfield, mills timber products from sustainably grown forests and manufactures products such as windows, doors, staircases, flooring and architraves. Radial Timber in Yarram also manufactures durable timber which has an Australian wide market.

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

3.2 Council Offices

Council Headquarters

Sale Service Centre

18 Desailly Street

Sale VIC 3850

Postal address

PO Box 506

Sale VIC 3850

Telephone: 1300 366 244

Email: enquiries@wellington.vic.gov.au

Website: www.wellington.vic.gov.au



Yarram Service Centre

156 Grant Street

Yarram VIC 3971

Telephone: (03) 5182 5100



3.3 Councillors

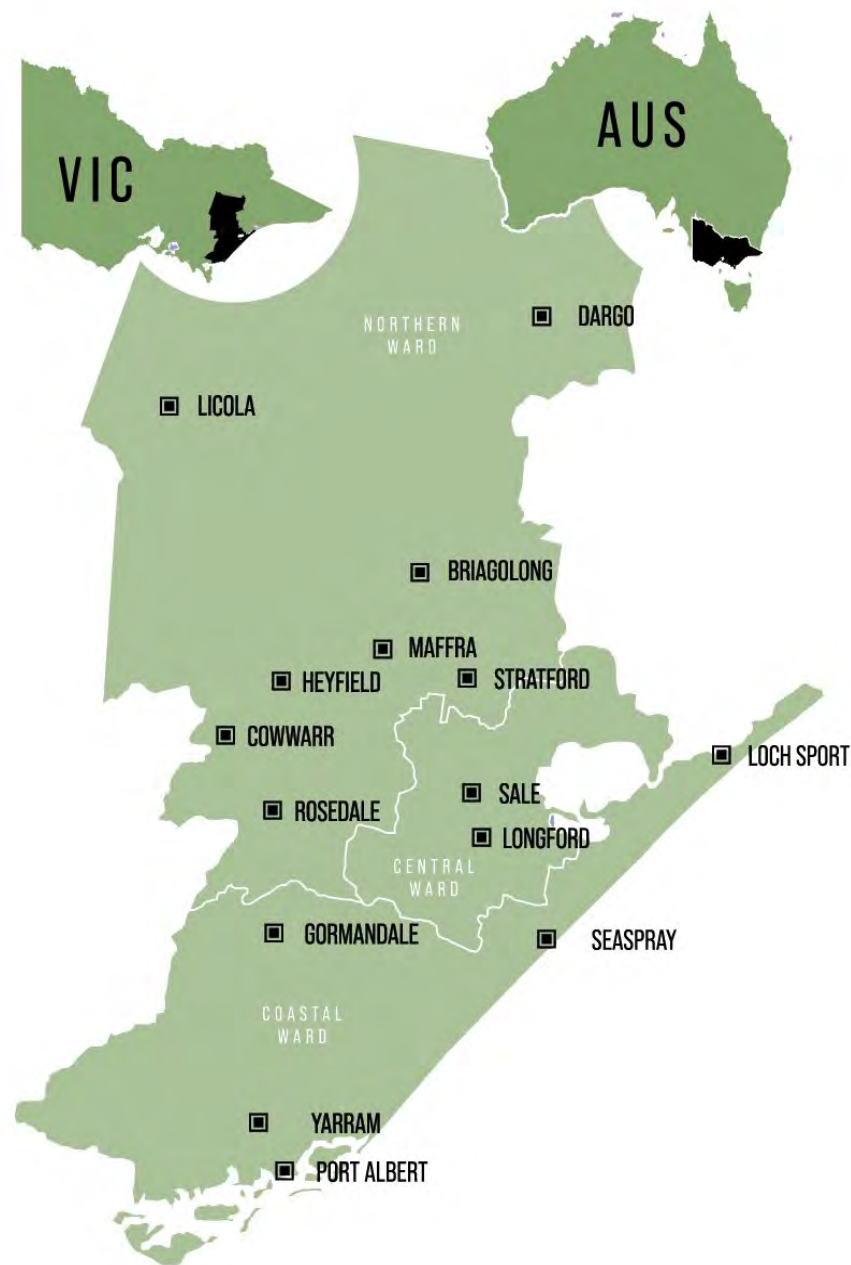
The primary role of a Councillor is to provide leadership for the good governance of the Wellington Shire Council in accordance with the *Local Government Act 1989* and *Local Government Act 2020*.

Wellington Shire comprises a three ward structure (Northern, Central and Coastal), which is represented by nine Councillors, three elected in each ward.

The positions of Mayor and Deputy Mayor are determined in accordance with the *Local Government Act 2020* and Governance Rules at a Council meeting.

The Mayor is the elected leader and is the key formal representative of Council.

In 2020, the Wellington Shire Council community elected this council for a four year term.



Introducing our Councillors



Cr Ian Bye
Mayor



Cr John Tatterson
Deputy Mayor



Cr Carolyn Crossley
Councillor



Cr Gayle Maher
Councillor



Cr Marcus McKenzie
Councillor



Cr Carmel Ripper
Councillor *



Cr Scott Rossetti
Councillor



Cr Garry Stephens
Councillor



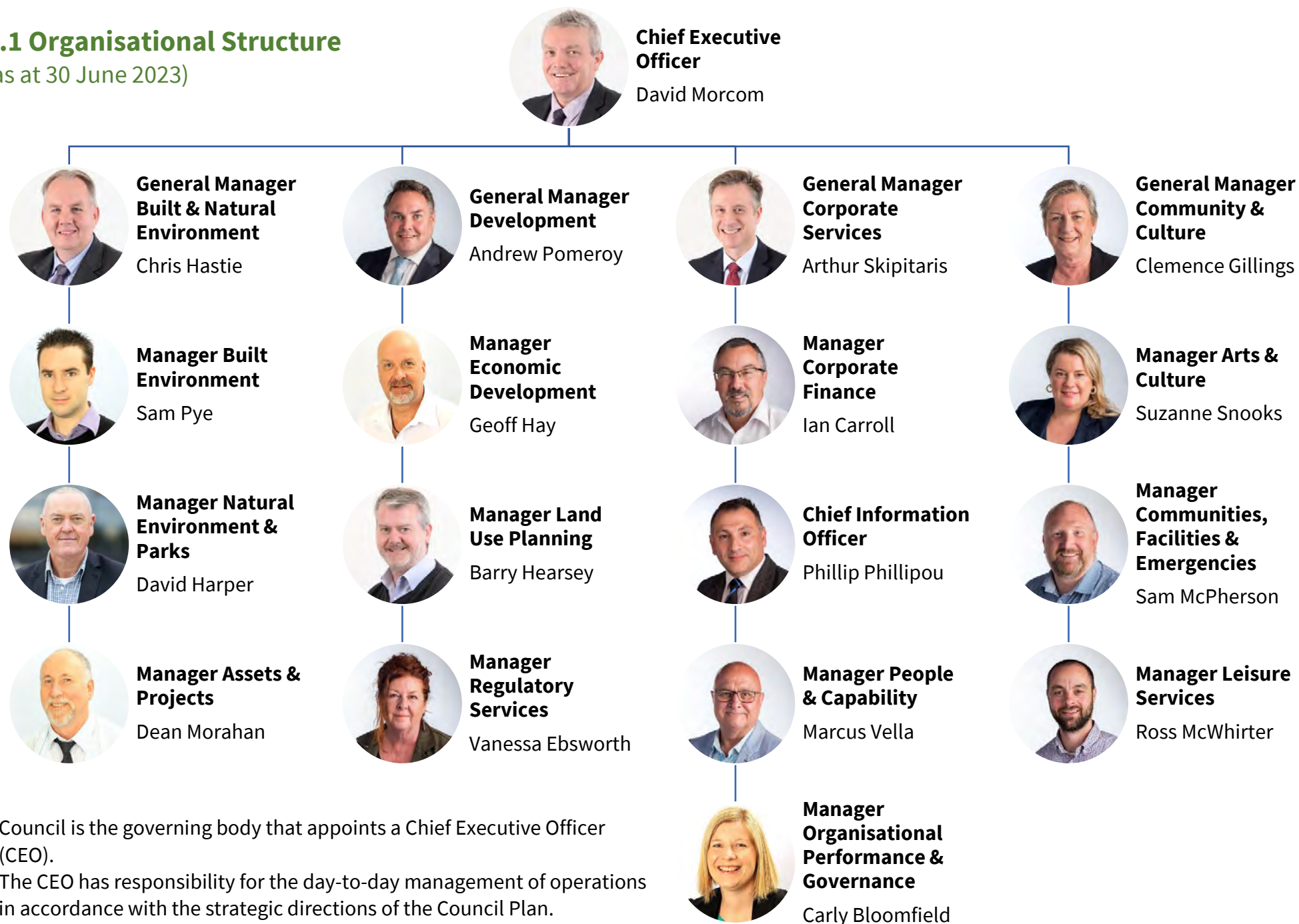
Cr Jill Wood
Councillor

	NAME	WARD	TERMS ELECTED	MOBILE	EMAIL
1	Cr Ian Bye (Mayor)	Central	2016, 2020	0476 000 146	ianb@wellington.vic.gov.au
2	Cr John Tatterson (Deputy Mayor)	Northern	2020	0448 433 036	johnta@wellington.vic.gov.au
3	Cr Carolyn Crossley	Northern	2012, 2016, 2020	0409 495 833	carolync@wellington.vic.gov.au
4	Cr Gayle Maher	Coastal	2016, 2020	0476 000 162	gaylem@wellington.vic.gov.au
5	Cr Marcus McKenzie	Coastal	2020	0448 482 509	marcusc@wellington.vic.gov.au
6	Cr Carmel Ripper	Northern	2016, 2021 *	0457 056 436	carmelr@wellington.vic.gov.au
7	Cr Scott Rossetti	Central	2008, 2012, 2016, 2020	0419 366 686	scottr@wellington.vic.gov.au
8	Cr Garry Stephens	Coastal	2016, 2020	0476 000 157	garrys@wellington.vic.gov.au
9	Cr Jill Wood	Central	2020	0448 573 297	jillw@wellington.vic.gov.au

*Cr Carmel Ripper elected on a countback following the passing of Cr Malcolm Hole – Cr Ripper was sworn in to Council on 18 May 2021

4.1 Organisational Structure

(as at 30 June 2023)

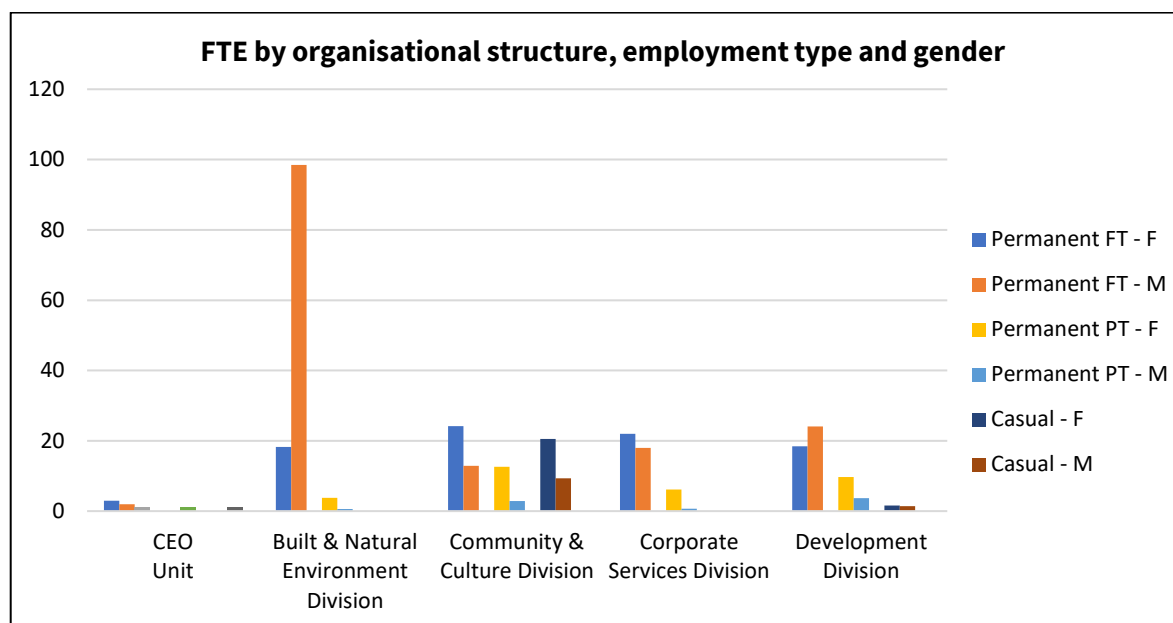


Council is the governing body that appoints a Chief Executive Officer (CEO).
The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan.
The CEO and four General Managers form the Corporate Management Team (CMT) and lead the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

4.2 Council Staff

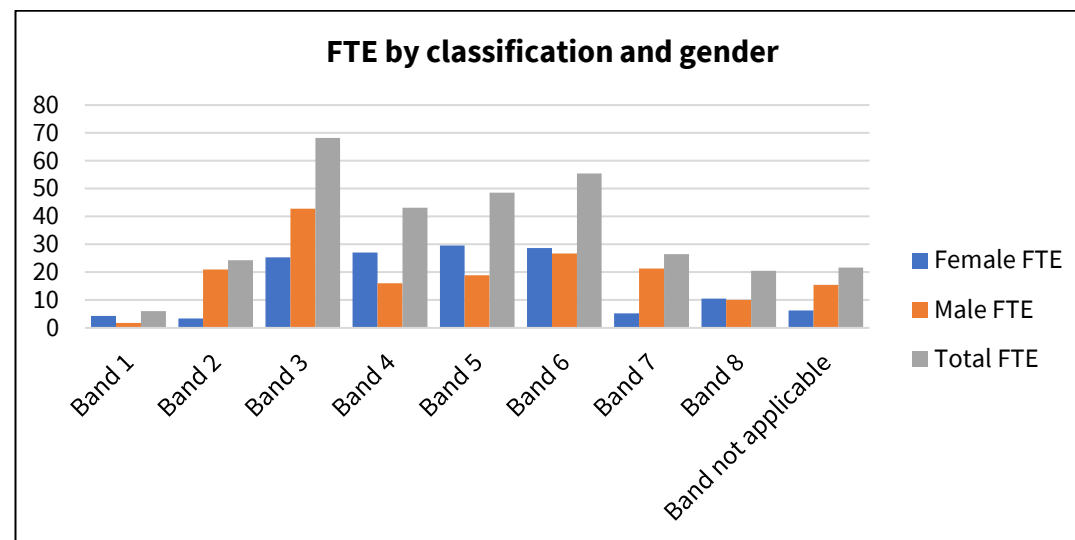
Full time equivalent (FTE) staff by organisational structure, employment type and gender.

Employee type/gender	CEO Unit	Built & Natural Environment Division	Community & Culture Division	Corporate Services Division	Development Division	Total
	FTE	FTE	FTE	FTE	FTE	FTE
Permanent Full Time - Female	3	18.27	24.14	22.02	18.44	85.87
Permanent Full Time - Male	2	98.46	12.85	17.96	24.11	155.38
Permanent Part Time - Female	0	3.82	12.60	6.10	9.70	32.22
Permanent Part Time - Male	0	0.63	2.87	0.65	3.67	7.82
Casual - Female	0	0	20.50	0	1.63	22.13
Casual - Male	0	0	9.35	0	1.44	10.79
Total	5	121.18	82.31	46.73	58.97	314.21



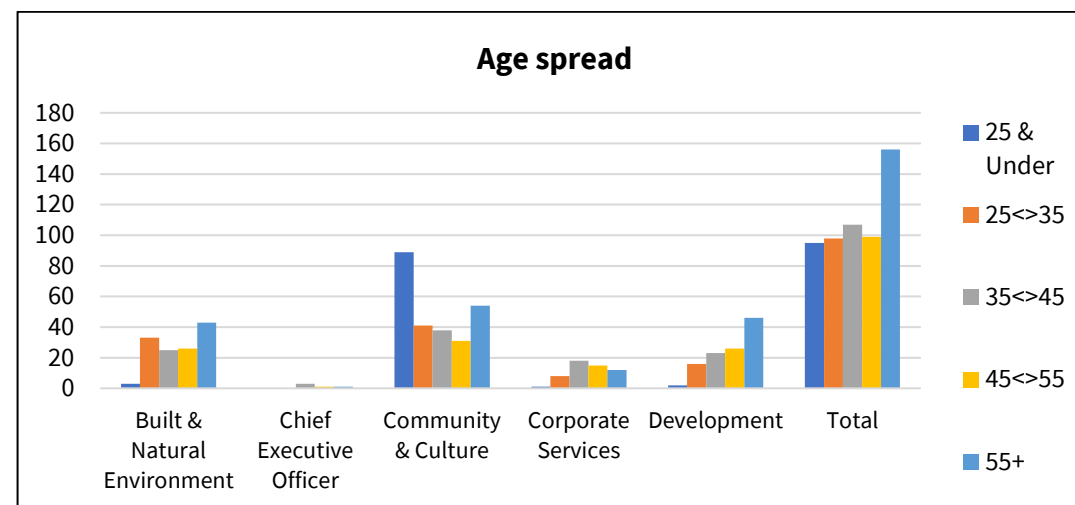
Full time equivalent (FTE) staff categorised by employment classification and gender.

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	4.26	1.79	6.05
Band 2	3.39	20.96	24.35
Band 3	25.35	52.82	68.17
Band 4	27.09	16.00	43.09
Band 5	29.58	18.95	48.53
Band 6	28.68	26.74	55.42
Band 7	5.21	21.30	26.51
Band 8	10.47	10.00	20.47
Band not applicable	6.2	15.42	21.62
Total	140.23	173.98	314.21



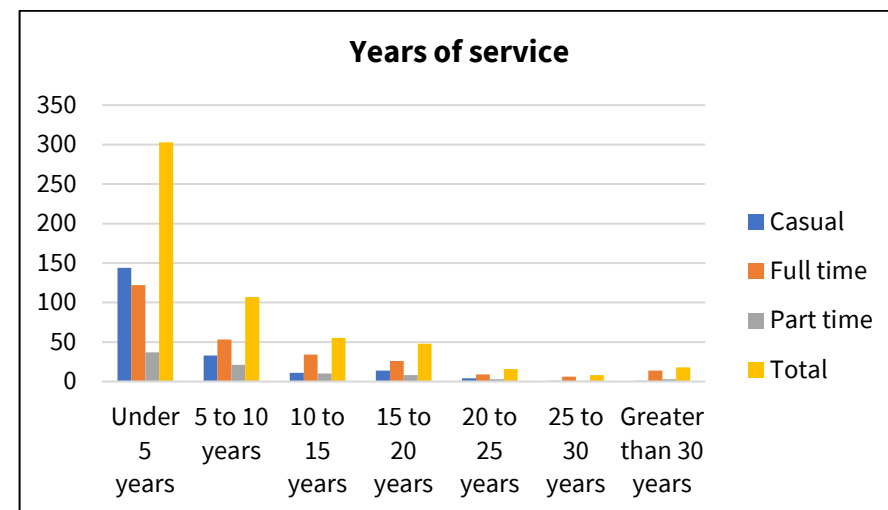
Age spread (Total staff: 555).

Age	25 & Under	25 - 35	35 - 45	45 - 55	55+
Built & Natural Environment	3	33	25	26	43
Chief Executive Officer	0	0	3	1	1
Community & Culture	89	41	38	31	54
Corporate Services	1	8	18	15	12
Development	2	16	23	26	46
Total	95	98	107	99	156



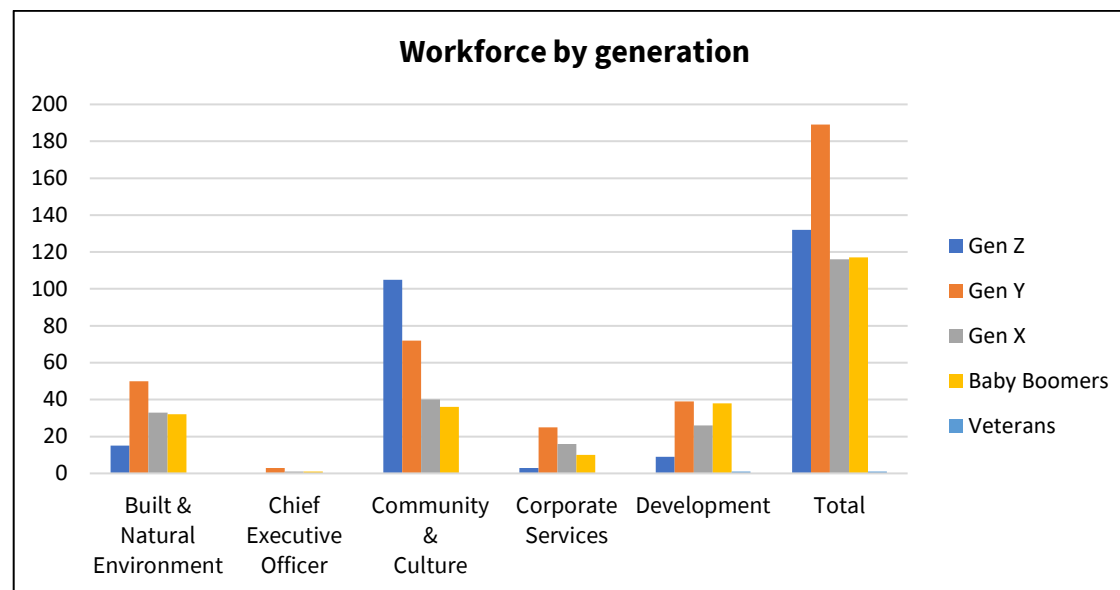
Years of service summary (Total staff: 555).

Service years	Under 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 to 30 years	Greater than 30 years
Casual	144	33	11	14	4	1	1
Full time	122	53	34	26	9	6	14
Part time	37	21	10	8	3	1	3
Total	303	107	55	48	16	8	18



Our workforce by generation (Total staff: 555).

Generation	Gen Z	Gen Y	Gen X	Baby Boomers	Veterans
Built & Natural Environment	3	33	25	26	43
Chief Executive Officer	0	0	3	1	1
Community & Culture	89	41	38	31	54
Corporate Services	1	8	18	15	12
Development	2	16	23	26	46
Total	95	98	107	99	156



Key: Gen Z 1995-2023, Gen Y 1977-1994, Gen X 1966-1976, Baby Boomers 1946-1965, Veterans pre 1946

Our Volunteers

Wellington Shire Council is committed to providing opportunities for interested community members who wish to give their time, skills and enthusiasm, and enjoy giving back to the community while fostering connections and learning more about the region they live in. Volunteering helps build and support our local communities, strengthens networks, and provides a sense of belonging and connection. We believe volunteers play a critical role within our organisation by assisting in the delivery of important services and programs.

There are a number of ways in which volunteers can contribute to our services and give back to their community, including:

- Providing tourism advice and support to the Visitor Information Centres
- Delivering education programs and workshops for kindergarten, school and community groups at the Art Gallery
- Greeting visitors and providing customer service within our Gallery and Visitor Information spaces
- Gardening with the Friends of Sale Botanic Gardens group
- Assisting with Bike Education through TAC and VicRoads
- Supporting young people through FReeZA and Youth Council
- Participation on Community Committees around Wellington Shire
- Providing advice as part of the Wellington Disability Advisory Committee

Across these programs, thousands of hours of volunteered time are dedicated to working for and assisting the community each year.

Community members who are interested in registering as a volunteer, can do so through the careers page on the Wellington Shire Council website www.wellington.vic.gov.au

4.3 Equal Employment Opportunity Program

Wellington Shire Council believes in inclusivity, diversity, fairness, and equity.

This means that the ideas, aspirations and needs of all our people are considered and valued in our workplace. Wellington Shire Council is committed to access and equity for all its employees, and we encourage a workplace where everyone can be themselves. We have policies and processes in place to ensure that employees are aware of both employer and employee obligations in relation to the *Equal Opportunity Act 2010*, *Gender Equality Act 2020* and the *Charter of Human Rights and Responsibilities Act 2006*.

We care about creating a workplace where our employees feel valued, respected and empowered and we are committed to providing equal opportunity regardless of gender identity, ethnicity, disability, sexual orientation, different backgrounds or life stage.

This includes providing equal access to jobs and development opportunities and ensuring there is no discrimination or harassment in the workplace.

Wellington Shire Council supports flexible and accessible working arrangements for all. This includes people with a disability, Aboriginal and Torres Strait Islander peoples, people from culturally and linguistically diverse and faith communities, young people, older people, women and people who identify as lesbian, gay, bisexual, trans and gender diverse and intersex (LGBTI).

Employees must treat others fairly and with respect for diversity. This extends to the way that Council employees treat customers, contractors, representatives, and volunteers during the undertaking of their duties.

This year we reinvigorated our Equal Opportunity Committee and trained members as Contact Officers, as an additional resource for staff to discuss concerns or navigate workplace issues should they arise.

4.4 Other Staff Matters

Staff Achievement Awards

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

The nomination categories have been developed in line with Council values, staff are encouraged to nominate their peers for going 'above and beyond' in the following areas:

- Leadership
- Customer Focus
- Relationships
- Innovation
- Sustainability



Image: Sustainability Education Officer – Sharon Ray

Staff Recognition Years of Service

Council recognises employees for their ongoing contribution, commitment and service to the organisation by acknowledging their key service milestones. The following 71 staff members celebrated and received Service Awards in the 2022/23 year.



Jeanette Stone
Robert Jago



Sally Anne Nowak
Chris Nock



Geordie Cutler
Deborah Dowd
Helen McMillan
Nuleen Narayan
Kate Young
Mark Turvey
Janet Brown
Brian Camp
Harold Johnston
Joshua Clydesdale
Steven Hill
Benjamin Sargood
Andrew Smale
Robyn Whitsed
Jennifer Claxton
Helen Wood
Eileen Burge



Jason Parry
Shane Wigg



Glenn Joiner
Paul Miles
Grant Albert
Noreen Brand
Sharon Field
Julie Baker
Ray Weber
Angela Derham
Jill Ayres

Staff Recognition Years of Service



Cameron McGregor
Meg Capurso
Peter Thompson
Samantha Neville
Barry Hearsey
Leah Carubia
Colin Le Blanc
Jasmin McMillan
Tina Heiberg
Theo Christopher



Desiree Fieldsend	Natalie Walsh
Christie Maitland	Kim Salleh
Christopher Driver	Alexandra Christensen
Tylah Briggs	Denis Mynard
Jack Dessent	Lydia Ryan
Liam Wilson	Sidney Wright
Michaela Cobby	Jim Collins
Diana Dorber	Mike Kareem
Melesa Eldred	Leonie Clark
Samantha Matthews	Nicky Kiker
Elena Anoshko	Claire Lyon
Aimee Holt	Daniel Cassin
Melissa Fahy	Kobey Dorber
Amy Coleman	Aiden Boehm
Ashley Smirl	

Enterprise Agreement

Negotiating a new agreement is no small undertaking and we are pleased to have reached agreement, and approval from the Fair Work Commission.

The Wellington Shire Council Enterprise Agreement No.10 expired in November 2022, and was replaced by Enterprise Agreement No.11 in June 2023 after months of negotiations at staff and union levels.

We are proud to have positive working relationships with local organisers from the Australian Municipal, Administrative, Clerical and Services Union ("ASU"), the Australian Nursing and Midwifery Federation ("ANMF") and the Association of Professional Engineers, Scientists and Managers Australia ("Professionals Australia") and thank them for their contributions to our negotiation.

Outside of the negotiation setting, there are also a number of staff that support the process by way of data collection and modelling, research and consideration for how we can make our workplace better, and we thank them for their time and contributions.

The key highlights negotiated include the acceptance of a consolidated Agreement and updated terminology to reflect legislative changes, an increase of 2 weeks' employer funded parental leave for primary carers, and a wage increase of 2.25%/\$35, 2.35%/\$35 and 2.50%/\$35 across the 3 years the Agreement will be in effect.



Image: Nurturing positive working relationships

Professional Development

Wellington Shire Council recognises the benefit of supporting staff to increase their professional development. Council acknowledges the value gained from staff advancing their qualifications and acquiring enhanced skills and knowledge that can be applied within the workplace.

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



Image: Council staff attend an emergency management training exercise

**4,344 online courses
completed by staff during
2022/23**

**801 offsite compliance
training courses attended
by staff during 2022/23**

**283 professional
development courses
undertaken by staff during
2022/23**

Preventing Violence Against Women

The Wellington Shire Council Gender Equality Action Plan (GEAP) 2021-2025 was submitted in 2022 and forms part of a Council strategy that will support Wellington Shire to be a more inclusive and gender diverse place to live and work. Our GEAP outlines our long-term plan in relation to gender equality, diversity and inclusion and details our objectives and what we will undertake to meet our obligations under the *Gender Equality Act 2020*.

Wellington Shire Council is committed to addressing the impact of violence in the community by raising awareness through the organisation and working in partnership with Family Violence Support Services. Violence against women does not mean only physical violence. It is much broader and includes sexual, emotional, psychological and financial abuse.

As an organisation we support the Prevention Violence Against Women (PVAW) strategy included with our Family Violence Leave Policy to support staff who are experiencing family violence through the provision of unlimited Family Violence Leave to attend medical appointments, legal proceedings and/or other preventative activities.

A Respectful Workplace Survey was undertaken in December 2022 to measure staff experiences of disrespectful behaviours such as bullying and sexual harassment in the workplace. 82% of respondents indicated they felt safe to report inappropriate behaviour in the workplace and felt respected in the workplace.



Image: 16 Days of Activism Let's Chat Gippsland Campaign

Health and Safety

Wellington Shire Council continues to explore opportunities to enhance our existing Occupational Health and Safety (OHS) arrangements through the development and implementation of policies and procedures to establish a structured OHS Management Framework that achieves the goals of legislative compliance and best practice in safety across all our operations.

Wellington Shire Council is committed to the continuous improvement of our health and safety performance with the highest priority being the provision of systems of work that support our employees to work safely. Our aspiration is to minimise the number of workplace injuries and illnesses, with an emphasis on supporting the psychological health of our employees.

A key safety initiative for 2022-2023 is the implementation of our OHS Transformation Action Plan that seeks to:

- Effectively respond to key findings from our OHS audit program;
- Update our OHS Management framework to align with ISO 45001:2018;
- Leverage technology to simplify and streamline OHS data analysis, performance monitoring and reporting;
- Digitise paper based OHS processes and documentation; and
- Embed health and safety as a core value and motivation for all staff, volunteers, contractors and visitors engaged by Wellington hire Council.



Image: Promoting health and safety

Employee Health and Wellbeing

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

- Improve work performance and productivity
- Support health promotion and preventive health activities
- Maintain a positive workplace culture and retain existing employees



Image: Encouraging health and wellbeing in the workplace

Employee Engagement survey - The Pulse

The bi-annual staff survey "the Pulse" was conducted during September 2022. This survey is a confidential, all-staff survey on employee experiences across 16 areas ranging from perspectives on Innovation, Learning, Community Focus to Recognition. Since undertaking these surveys in 2014, our engagement scores have increased steadily from 65% to 75%. Our People & Capability business unit shared the feedback received with Leadership groups. This initiated conversations between teams on exploring the results and collaborating on potential solutions and improvements together.

Promoting employee social inclusion:

Wellington Shire Council Social Club provides social connection for staff by providing social events such as communal lunches, weekend outings, movie and trivia nights and health initiatives such as Pilates.

Wellness page - SharePoint

We continuously provide updates on our Wellness page for staff to access valuable information relating to their health and wellbeing.

Our Wellness Page features resources and information relating health and fitness through Aqua Energy, Employee Assistance Program and supporting organisations, and general wellness.

Recruitment Trends

As an organisation, it is important to track recruitment statistics to identify market shortfalls and improvements. We have noticed the impact of post-pandemic recruitment trends, particularly market offerings of remote work across Australia providing opportunities that we had never competed with before. Despite this, there has been an increase in the number of applications received for our advertised positions. The number of campaigns also increased compared to last year.

Key recruitment statistics for 2022/2023:

- Total number of external recruitment campaigns for the year: 106
- Number of internal recruitment campaigns for the year: 27
- Total number of applications received for external recruitment campaigns: 1174
- Staff turnover rate: 14.33%
- Number of higher duties opportunities offered to internal staff: 134

To assist in building skills and capabilities for the future, we are committed to ensuring that we continue to source and build upon our local talent. To achieve this multiple traineeships and work experience placements are offered across Council. In addition, training and work opportunities are provided internally to assist our existing talent in their career development and progression.

Workforce Plan

At Wellington Shire Council, workforce planning will assist in having the right people, with the right skills and capabilities at the right time to achieve our Council Plan 2021–25 and the Wellington 2031 Community Vision. We are committed to becoming an employer of choice for our current and future employees. We aim to engage and retain employees by providing a workplace that embraces equality and diversity in an inclusive work environment.

The Workforce Plan addresses six key areas of focus:

- Recruiting suitably qualified staff in key areas such as ICT, Planning, Engineering and Governance
- Providing targeted and consistent training
- Providing traineeships and graduate roles for local students
- Continue to promote and drive Gender equality, diversity and inclusiveness
- Emergency management and pandemic response
- Employee engagement

Progress is continuing in these areas as we strive to address the gaps we have identified. Our aim is to build capability across the workforce so that we are equipped for the challenges and opportunities ahead.



Image: Wellington Shire Council – Workforce Plan 2022-27

5.0 Our Performance

5.1 Integrated Strategic Planning and Accountability Framework

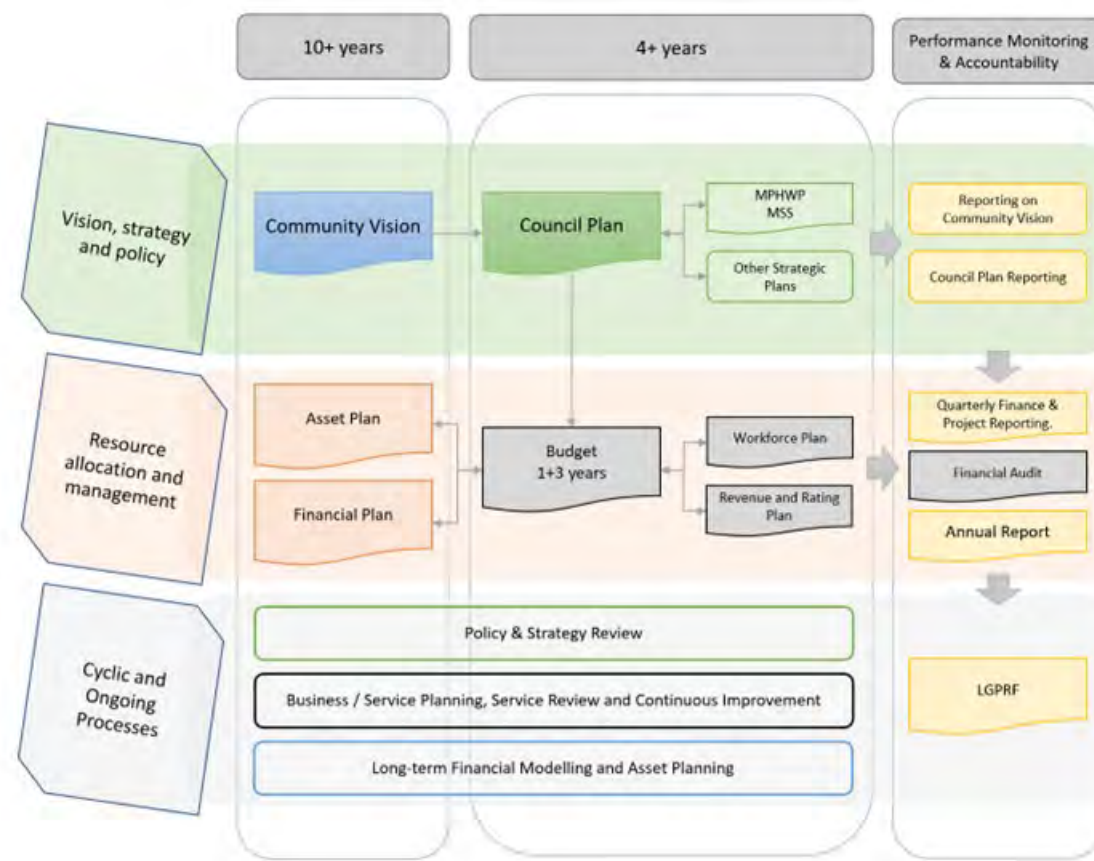
This annual report is prepared in accordance with the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020.

Part 4 of the *Local Government Act 2020* addresses planning and financial management and requires councils to prepare the following:

- A Community Vision (for at least the next 10 financial years);
- A Council Plan (for at least the next 4 financial years);
- A Financial Plan (for at least the next 10 financial years);
- An Asset Plan (for at least the next 10 financial years);
- A Revenue and Rating Plan (for at least the next 4 financial years);
- A Budget (for the next 4 financial years);
- A Quarterly Budget Report;
- An Annual Report (for each financial year); and
- Financial Policies.

The *Local Government Act 2020* also requires councils to prepare:

- A Workforce Plan (including projected staffing requirements for at least 4 years).



The diagram above shows the relationship between the key planning and reporting documents that make up the integrated strategic planning and reporting framework for local government.

Community Satisfaction Survey

The annual Local Government Community Satisfaction Survey (CSS) ensures Council is able to track change over time as well as compare performance with other similar councils over recent years. The additional information that is captured provides insight into the community's satisfaction with council services and assists with service planning and delivery.

Our 2023 CSS results indicate Wellington Shire Council is performing above other large rural Councils which is a positive result. Wellington Shire Council scored a rating of 58 out of 100 for overall council performance compared to 52 for other large rural councils and 56 state-wide.

The three areas that the survey participants highlighted Wellington Shire Council performing particularly well in are: arts centres and libraries, recreational facilities and appearance of public areas.

Wellington Shire Council achieved significantly higher results compared to other large rural councils in numerous other areas including; sealed local roads, planning and building permits, local streets and footpaths and population growth.

The CSS is conducted independent of Council annually, headed by JWS Research on behalf of the Department of Government Services.

The following two pages provide a snapshot and summary of core CSS results for 2023, to view full survey results please visit the Wellington Shire Council website www.wellington.vic.gov.au



Image: Community engagement

Wellington Shire Council – at a glance



Overall council performance

Results shown are index scores out of 100.



Wellington 58











Large Rural 52



State-wide 56

Council performance compared to group average

Top 3 performing areas		
	Art centres & libraries	▲ higher
	Recreational facilities	▲ higher
	Appearance of public areas	▲ higher
Lowest 3 performing areas		
	Unsealed roads	▲ higher
	Slashing & weed control	= on par
	Sealed local roads	▲ higher
	Customer service	▲ higher

Services	Wellington 2023	Wellington 2022	Large Rural 2023	Large Rural 2022	State-wide 2023	State-wide 2022
 Overall performance	58	62	52	55	56	59
 Value for money	48	54	45	48	49	53
 Community consultation	53	55	49	51	52	54
 Making community decisions	54	59	48	51	51	54
 Sealed local roads	50	54	40	45	48	53
 Waste management	65	67	65	65	66	68
 Customer service	69	69	65	67	67	68
 Direction of council	49	51	44	47	46	50

5.2 Council Plan

The Council Plan 2021-25 was developed with significant community consultation during 2021 and aligns with the long-term goals the community have expressed in the Wellington 2031 Community Vision.

Wellington Shire Council has identified Climate Change as our number one priority, recognising that temperature increases, lower rainfall, more frequent bushfires, more intense flooding, and sea level rises will have a significant impact on our community.

The Council Plan 2021-25 has a focus on attracting new industry, particularly renewable energy, and facilitating growth in our major towns. Equity and access to services across all parts of our population are also highlighted in a range of initiatives within the plan.

The four Strategic Directions define the actions Council will take to achieve these and other community priorities. These priorities and Strategic Directions will keep us focused on our regional advantages and community aspirations.

The Council Plan 2021-25 provides Council, its staff, key partners and stakeholders and the community with a clear line of sight from the Wellington 2031 Community Vision to daily action. Progress is reported regularly back to the community through regular Council Reports in addition to the Annual Report.



The four Strategic Directions of the Council Plan 2021-25 are centred under the headings below:



5.3 Performance

Performance for the 2022/23 year has been reported against each theme and strategic direction to demonstrate how Council performed in progressing the Council Plan 2021-25.

Performance is measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan 2021-25
- Progress in relation to the major initiatives identified in the budget
- Services funded in the budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures.

Strategic Direction 1: Environment and Climate Change

Indicators of Success

The following table reviews performance against the Council Plan 2021-25 including results achieved in relation to the Indicators of Success.

Indicators of Success:	Baseline	2021-22 Result	2022-23 Result	2025 Target
Outcome 1.1 A climate and disaster resilient community				
Community Satisfaction with Council Performance in Environmental sustainability	(2020) Wellington Shire 59/100 (Large Rural 49/100)	Wellington Shire 62/100 (Large Rural 59/100)	Wellington Shire 61/100 (Large Rural 58/100)	Higher than large rural Councils
Percentage of Tree Canopy cover within Town Boundaries	(2020) 20% Tree Canopy coverage	Not due until 2025	Not due until 2025	1.5% improvement

Indicators of Success:	Baseline	2021-22 Result	2022-23 Result	2025 Target
Outcome 1.2 Assist community to transition to a low carbon economy via adoption of sustainable practices and renewable energy				
Solar penetration rate – the percentage of electricity generation from solar facilities (SDG 7.2.1)	(2018) 21%	27.7% (6941 dwellings with PV)	31.6% (7387 dwellings with PV)	50%
Wellington Shire community greenhouse gas emissions intensity (emissions per person) (SDG 13.2.2)	(2019) 31.3 tonnes per person	30.66 tonnes per person	Results not available until November 2023.	Equal to or better than Gippsland average
Outcome 1.3 The natural environment is valued, protected and accessible				
Percentage of households located within 400m of quality open space (SDG 11.7.2)	(2014) 73%	Due 2023. Will be measured as part of updated Public Open Space Plan to be completed 2023.	Measurements will occur as part of the Public Open Space Plan which is scheduled for 2023/24.	85%
Domestic travel visitor numbers to Wellington Shire (SDG 8.9)	(2020) 750,000 travel visitors	686,000 travel visitors	858,000 travel visitors (14.4% increase on baseline)	2% increase
Outcome 1.4 Council is an environmental steward with a reducing carbon footprint				
Corporate Greenhouse Gas emissions (aiming for zero net emissions by 2040) (SDG 13.2.2)	(2017/18) 5244 tonnes of carbon equivalent emissions	4120.5 tonnes of carbon equivalent emissions (19% decrease from 2018) <i>* corrected from 4221 tonnes</i>	4274.1 tonnes of carbon equivalent emissions (18.5% decrease from 2018)	23% reduction

Indicators of Success:	Baseline	2021-22 Result	2022-23 Result	2025 Target
Percentage waste diversion rate from kerbside collection (SDG 12.5)	(2019-20) 35% waste diversion	33.5% waste diversion	32.17% waste diversion	65% waste diversion

Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2022/23 Budget for the year.

Business Unit	Major Initiatives	Progress comment	Status
Natural Environment & Parks	Better utilise existing water resources, improve waterway health, increase biodiversity values and investigate bio link opportunities through implementing the Wellington Shire Council Integrated Water Management Plan and Domestic Wastewater Management Plan.	<p>The Onsite Domestic Wastewater Management Plan (OWMP) and associated codes and ministerial guidelines continue to guide decision making for development works involving wastewater management in sensitive areas to improve the health of waterways.</p> <p>Officers to receive further training funded by Department of Energy, Environment and Climate Action (DEECA) on applying the risk assessment model when conducting property assessments for onsite wastewater management system (OWMS) installations.</p> <p>Our Environmental Health team continue to play an active role in the Blue Green Algae portfolio to reduce the potential health impacts on residents, visitors and parks staff.</p>	Progressing at 70%

Business Unit	Major Initiatives	Progress comment	Status
Natural Environment & Parks	Advocate for, educate, and facilitate the adoption of regenerative agriculture and investment to improve water security and assist farmers to increase resilience and profitability in a warmer, drier climate.	Continue to work with Gippsland Agricultural Group and Food and Fibre Gippsland to identify opportunities to create a more resilient agricultural community.	Progressing at 80%
Economic Development	Advocate alongside our renewable energy industry and community to secure priority transmission upgrade funding and aim for the area for our offshore wind projects to be declared the first renewable energy zone.	In December 2022, the Minister for Climate Change and Energy declared an area in the Bass Strait off the coast of Gippsland as being suitable for offshore renewable energy.	Completed 100%

Services

The following table provides information in relation to the services funded in the 2022/23 Budget.

Service Area	Description	Net Cost <u>Actual Budget</u> Variance \$000
Natural Environment & Parks	<p>The Natural Environment & Parks unit covers a range of activities related to the operational management of public open space, which includes approximately 320 hectares of parkland and associated infrastructure, such as picnic shelters, BBQs, seating, boardwalks, fences and public toilets. The service also proactively manages around 70,000 urban trees and is responsible for the management, design and development of parks and streetscapes in urban areas.</p> <p>The unit is also responsible for moving the Wellington community towards a more sustainable future.</p> <p>Key priority areas include:</p> <ul style="list-style-type: none"> • biodiversity, • water consumption and quality, • waste management and • energy use 	7,868 <u>6,574</u> 1,294
Wellington Coast Subdivision Strategy	The Wellington Coast Subdivision Strategy Project Manager is responsible for implementing the Ninety Mile Beach Plan Voluntary Assistance Scheme. This is funded through State Government grant funding.	56 <u>2</u> 54

Service Performance Indicators

The following table provides the results of the prescribed service performance indicators and measures including explanation of results in the comments.

Service / <i>indicator</i> / <i>measure</i>		Results				Comments
		2020	2021	2022	2023	
WC1	Waste Collection Satisfaction					
	Kerbside bin collection requests <i>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1000</i>	47.50	46.39	43.33	49.55	<p>Council receives requests for damaged or stolen bins to be replaced, uncollected bins to be collected, and additional bins to be provided.</p> <p>In 2022/2023, we received approximately 50 requests per 1,000 households. 120l garbage bins are reaching the end of their useful life and may be the cause of the continued elevated number of bin requests.</p>
WC2	Service standard					
	Kerbside collection bins missed <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000</i>	1.74	1.91	4.13	5.15	<p>Over 1.61 million bin lifts were performed during 2022/23 as part of Wellington Shire's waste collection service which operates within a defined collection boundary within the 11,000km² municipality.</p> <p>831 bins were reported as missed during 2022/23. Council notes the increase in missed bins over the last two years, which can be attributed to driver education and improved data collection relating to missed bins within the Contractor's workforce.</p>

Service / <i>indicator</i> / <i>measure</i>		Results				Comments
		2020	2021	2022	2023	
WC3	Service cost Cost of kerbside garbage bin collection service <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$69.26	\$83.34	\$84.94	\$100.43	Wellington Shire's kerbside collection includes the weekly garbage waste collection service of 20,163 bins across the municipality. Additional services for residents in Wellington Shire, not incorporated in this cost, include an annual hard waste collection service, a no charge green waste disposal month and a fortnightly recycling bin collection service. An increase in landfill levy, materials and contractor fees contributed to the overall cost of delivering the service.
WC4	Service cost Cost of kerbside recyclables collection service <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$73.05	\$77.93	\$81.54	\$83.08	A variance of less than 5% in the amount of kerbside recycling compared to the 2021/2022 financial year has been recorded.
WC5	Waste Diversion 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] x 100</i>	35.26%	31.45%	33.51%	32.17%	More than 3,500 tonnes of recyclable material was diverted from landfill in 2022/23. That's an average of 178kg of recyclables per collection household in Wellington Shire. In 2021/22, an average of 134kg per collection household was reported the revised correct average is 196kg. In 2022/23, households have recycled 18kg less on average per household, compared to households in 2021/22. Council is working towards the future implementation of a Food and Garden Organics collection which will divert additional waste from landfill.

Strategic Direction 2: Economy and Sustainable Growth

Indicators of Success

The following table reviews performance against the Council Plan 2021-25 including results achieved in relation to the Indicators of Success.

Indicators of Success:	Baseline	2021-22 Result	2022-23 Result	2025 Target
2.1 A diverse economy that creates jobs and opportunities				
Annual growth rate of real Gross Regional Product (GRP) (SDG 8.2.1)	(2020) \$3.652B	\$3.898B (as per REMPLAN)	\$3.864B (as per REMPLAN)	Equal to or better than Gippsland average
Unemployment rate by sex, age and education level (SDG 8.5.2)	(June 2021) 5.5%	4.9% (March 2022 Quarter)	4.7% (March 2023 Quarter)	Equal to or better than Gippsland average
2.2 A community that has the capacity and skills to meet our economic needs				
Destinations of Wellington Year 12 or equivalent completers six months after leaving school (SDG 8.6.1)	7.8% unemployed 46.9% further study 10.2% apprenticeships/trainees	9.3% unemployed 44% further study 10.7% apprenticeships/trainees	Reports for each Victorian LGA are no longer available.	5% unemployed, 56% further study
2.3 An increase in variety of housing choice to support equitable access to housing				
Number of dwellings across the Shire (SDG 11.3)	(2021) 23,383 dwellings	23,554 dwellings (source ID profile)	23,554 dwellings (source ID profile next census date 2026)	24,790 dwellings (2026 projection)

Indicators of Success:	Baseline	2021-22 Result	2022-23 Result	2025 Target
Number of new housing units built in the municipality (SDG 11.1.1)	(2021) 520 houses/units	Data not available at this time	Reports for each Victorian LGA are no longer available.	+26 beds
2.4 Infrastructure investment is targeted to maximise jobs and housing growth				
Wellington Shire total % population increase (SDG 11.3)	(2020 estimate) 44,770	45,092 (Source: ID profile population and dwelling estimate) 0.72% increase	45,754 (Source: ID profile population estimate) 1.46% increase	Approximately 1% increase per annum

Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2022/23 Budget for the year.

Business Unit	Major Initiatives	Progress comment	Status
Economic Development	Use 'The Middle of Everywhere' campaign to promote the Shire as an events destination and as a place to explore, learn, live, invest, play and to do business.	<ul style="list-style-type: none"> Gippsland New Energy Conference - 31 August 2023 Great Vic Bike Ride - November/December 2023 Major Gippsland Art Gallery exhibition planned for 2024 to feature Annemieke Mein ANZAC Weekend Airshow scheduled - 27 & 28 April 2024 Mountain Cattleman's Association - Vic Get-together - 29 August 2023 Centenary Relay - 28 August 2023 Sale Community Christmas Parade - December 2023 	Progressing at 90%
Economic Development	Prepare a Shire-wide Growth Management and Economic Development Strategy to establish a hierarchy of growth areas and identify priority projects.	Project brief developed and State Government funding secured to help support preparation of this Strategy. A preferred consultant (SGS Economics and Planning Pty Ltd) has been selected following a tender process, with the project to commence in July 2023.	Progressing at 15%
Economic Development	Prioritise investment projects in the main growth areas, including exploring all options for upgrades to trunk stormwater drainage, sewer, water reticulation, internet, and gas that will stimulate growth and housing.	Ongoing with various planning projects/approvals and Planning Scheme Amendments completed to support urban growth across the municipality.	Progressing at 90%

Business Unit	Major Initiatives	Progress comment	Status
Economic Development	Encourage and facilitate investment in the local mainstay industries with the potential to generate significant economic growth: Defence, Health, Agriculture, Tourism, Education, Timber, Renewables and the Oil and Gas transition. This includes encouraging modernisation and identifying supporting industries, encouraging their establishment in Wellington Shire.	Council has made the strategic decision to invest in a specific Officer to assist organisations to identify opportunities in these related industries.	Progressing at 75%
Economic Development	Continue to advocate for the sustainability of the timber industry in Wellington Shire.	Whilst Council will continue to advocate for a sustainable timber industry, the State Government has made the decision to end native timber harvesting in state owned forests via Vic Forests. Council Officers will continue to advocate and work with our timber industry to enable other sources of fibre inputs.	Progressing at 80%

Services

The following table provides information in relation to the services funded in the 2022/23 Budget.

Service Area	Description	Net Cost <u>Actual Budget</u> Variance \$000
Economic Development	Council's Economic Development service aims to support business growth and employment, lifestyle opportunities and a vibrant tourism sector.	1,510 <u>1,596</u> (56)

Service Performance Indicators

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

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
Statutory Planning						
Timeliness						
SP1	<i>Time taken to decide planning applications</i>	37.00	41.00	43.00	41.00	Council achieved a result of 41 for the median number of days between receipt of a planning application and a decision being made, which is significantly better than the State Average of 91 days.
	<i>[The median number of days between receipt of a planning application and a decision on the application]</i>					

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
SP2	Service standard <i>Planning applications decided within required time frames</i> <i>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x 100</i>	96.67%	96.69%	90.95%	86.23%	<p>The statutory timeframe for issuing planning permits is 60 days for standard applications and 10 days for Vic Smart applications.</p> <p>Council has achieved good results with 85.31% of standard applications and 88.76% of Vic Smart applications being decided within specified time frames, compared to the State result of 60.34% and 76.45% respectively.</p>
SP3	Service cost <i>Cost of statutory planning service</i> <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$1,524.14	\$1,286.83	\$1,320.09	\$1,407.16	<p>Costs to deliver the statutory planning service in 2022/23 were similar to the year prior.</p>
SP4	Decision making <i>Council planning decisions upheld at VCAT</i> <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] x 100</i>	100.00%	100.00%	0.00%	0.00%	<p>Council effectively consults with permit applicants and objectors prior to making planning decisions to limit the need for VCAT hearings.</p> <p>In 2022/23 only two reviews were sought at VCAT, one of which was resolved via consent order and the other Council decision being set aside by VCAT.</p>

Strategic Direction 3: Liveability and Wellbeing

Indicators of Success

The following table reviews performance against the Council Plan 2021-25 including results achieved in relation to the Indicators of Success.

Indicators of Success:	Baseline	2021-22 Result	2022-23 Result	2025 Target
3.1 An inclusive, diverse, and resilient community				
Community satisfaction with perception of diversity and accessibility in the community (SDG 10.2)	Not currently measured	Indicator being reviewed	Indicator being reviewed	Identify baseline. Continual improvement on WSC score.
3.2 An actively engaged community				
Community satisfaction with Council decisions (SDG 16.7.2)	(2020) Wellington Shire 58/100 (Large Rural was 52/100)	Wellington Shire 59/100 (Large Rural 51/100)	Wellington Shire 54/100 (Large Rural 48/100)	Continual improvement on WSC score
Community satisfaction with Council engagement (SDG 16.7.2)	(2020) Wellington Shire 57/100 (Large Rural was 54/100)	Wellington Shire 55/100 (Large Rural 51/100)	Wellington Shire 53/100 (Large Rural 49/100)	Continual improvement on WSC score

Indicators of Success:	Baseline	2021-22 Result	2022-23 Result	2025 Target
Community satisfaction with level of Council lobbying (SDG 16.7.2)	(2020) Wellington Shire 57/100 (Large Rural was 53/100)	Wellington Shire 59/100 (Large Rural 51/100)	Wellington Shire 55/100 (Large Rural 49/100)	Continual improvement on WSC score
3.3 Opportunities for everyone to work, learn, create, play and share				
Participation rates in kindergarten for 4 year olds (SDG 4.2.2)	(2020) Participation rate 91.89%	Participation rate 89.9% Enrolment rate is 98.7%	Participation rate 93% Enrolment rate is 99.1%	Better than Gippsland average
Active library members in municipality (SDG 4.6)	(2019-20) 13% active library members	10.68% active library members	10% active library members	15%
Participation at Council-run performing arts events (SDG 4.7)	(2018-19) 21,300 visits	17,296 visits	20,652 visits	Increase by 2%
Participation in Gippsland Art Gallery programs and events (SDG 4.7)	(2018-19) 39,600 visits	48,475 visits (includes 26,000 visits to the Archibald Prize)	39,611 visits	Increase by 2%
3.4 Improved access to and participation in support services focussing on those who are vulnerable including: young children, youth, people living with a disability and seniors				
Availability of NDIS services within Wellington Shire to meet service demand (SDG 10.2)	(2020) 49% of NDIS funding used by participants	LGA data not available, overall Victorian result 72% of NDIS funding used by participants	70% of NDIS funding used by participants as Q3 2022/23	80% of NDIS funding used by participants

Indicators of Success:	Baseline	2021-22 Result	2022-23 Result	2025 Target
Proportion of children attending Maternal and Child Health 3.5 years ages and stages visit (SDG 3.8)	(2017) 71.3%	Yarram & District Health Service 52% Central Gippsland Health Service 45%	Results not available until October 2023.	90%

Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2022/23 Budget for the year.

Business Unit	Major Initiatives	Progress comment	Status
Communities, Facilities & Emergencies	Create a Wellington Shire Health and Wellbeing Partnership with health and community agencies which focuses on preventing, supporting and responding to health and wellbeing issues as outlined in the Healthy Wellington 2021-2025 Strategy.	As Primary Care Partnership funding ceased, Wellington Shire Council (WSC) is committed to strengthening partnerships with health and community agencies that focus on all ages across a lifespan. Facilitating partnerships, building and leading networks, such as the Early Years Network, that focus on prevention, supporting and responding to health and wellbeing continues to be a priority for WSC.	Progressing at 55%
Communities, Facilities & Emergencies	Use Healthy Wellington 2021-2025 to focus on the health and wellbeing needs of the senior population. Prevent and address barriers to accessing community, social, health and lifelong learning services.	Council continues to be committed to creating Positive Ageing partnerships, capacity building in the Positive Ageing space and promote and sustain Positive Ageing in community health and wellbeing projects.	Progressing at 60%

Business Unit	Major Initiatives	Progress comment	Status
Communities, Facilities & Emergencies	Support employers with the attraction, recruitment and long term retention of health specialists and allied health workers into hospitals and schools and to service NDIS and My Aged Care packages.	Organisations are now utilising The Middle of Everywhere brand and resources to attract and retain talent.	Progressing at 80%
Communities, Facilities & Emergencies	Implement a Reconciliation Action Plan (RAP) to build relationships, improve cultural awareness and reconciliation with Gunaikurnai people and deliver on cultural, environmental, and economic projects in the spirit of the Gunaikurnai Whole of Country Plan.	Wellington Shire Council is still committed to create a Reconciliation Action Plan in collaboration with GLaWAC. During the interim, Wellington Shire Council is guided by the Victorian Aboriginal and Local Government Strategy 2021-2026 'Pathway to Stronger Partnerships'.	Progressing at 30%
Communities, Facilities & Emergencies	Investigate gaps in service provision for vulnerable community members, review options and determine Council's future role.	Council is working with various high-risk communities and agencies across the Wellington Local Government Area (LGA) to develop community emergency plans and increase emergency preparedness & resilience. This includes vulnerable persons and communities.	Progressing at 35%
Leisure Services	Complete Aqua Energy Redevelopment project detailed design, to progress to "construction tender ready" status ahead of planned construction works.	Detailed design completed, with construction tender currently advertised for the second time. Anticipating to award construction contract in August 2023.	Progressing at 90%

Business Unit	Major Initiatives	Progress comment	Status
Regulatory Services	Complete review of Local Laws to ensure that Local Laws are accessible and clear to the community, reduce the regulatory burden on business and assist Council in achieving better policy outcomes.	Review completed and adopted by Council 15 June 2021.	Completed 100%

Services

The following table provides information in relation to the services funded in the 2022/23 Budget.

Service Area	Description	Net Cost <u>Actual Budget</u> Variance \$000
Communities, Facilities & Emergencies	The Communities, Facilities and Emergencies teams provide opportunities for communities to work in partnership with local government to achieve identified priorities. These teams work to ensure all members of the community have equal opportunity to participate in community activities. Special focus is given to those who have traditionally remained marginalised such as the young, elderly, disabled and transport disadvantaged.	1,864 <u>1,968</u> (104)
Leisure Services	The Leisure Services unit provides services and functions directed at fostering a healthier and more active community through the facilitation and provision of a range of recreation, fitness and community activities and programs at Council's recreation facilities. They ensure Council owned recreation facilities are managed sustainably, are fully utilised and accessible to people of all abilities.	1,088 <u>882</u> 206

Service Area	Description	Net Cost <u>Actual Budget</u> Variance \$000
Regulatory Services	The Regulatory Services unit works with people to ensure the life, health and safety of the community is maintained through educating and enforcing Environmental Health (including food safety support programs), Building and Local Laws regulations and animal management services.	1,284 <u>1,674</u> (390)
Emergency Management	The Emergency Management team coordinates Council's emergency management responsibilities ensuring the organisation has the skills and capacity to respond appropriately to emergencies and facilitates a coordinated shire approach through the Municipal Emergency Management Planning Committee.	304 <u>469</u> (165)
Arts & Culture	The Art Gallery and Libraries, as part of the Arts & Culture unit, seek to assist in the development of a vibrant, culturally active community that: promotes expression and participation through visual, literary and performing arts; informs and educates the community on various aspects of the arts; enhances the lifestyle of Wellington residents; and encourages visitors to explore the heritage and culture of the region.	2,040 <u>1,696</u> 134

Service Performance Indicators

The following table provides the results of the prescribed service performance indicators and measures including explanation of results in the comments.

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
AF2	Aquatic Facilities Service standard <i>Health Inspections of aquatic facilities</i> <i>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</i>	1.00	1.00	1.00	1.00	All 6 aquatic facilities were inspected during the 2022/23 financial year.
AF6	Utilisation <i>Utilisation of aquatic facilities</i> <i>[Number of visits to aquatic facilities / Municipal population]</i>	4.20	3.57	3.70	5.15	<p>The combined number of visits recorded at Wellington Shire Council's indoor and outdoor aquatic facilities during 2022/23 was 235,569.</p> <p>This equates to an average of 5.15 aquatic facility visits per Wellington Shire resident for the year.</p>

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
AF7	Service cost <i>Cost of aquatic facilities</i> <i>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</i>	\$8.52	\$10.79	\$9.03	\$7.81	<p>During 2022/23, Wellington Shire Council's indoor and outdoor aquatic facilities operated at a cost to Council of \$ 1,840,441 and recorded 235,569 visitors, which resulted in an average cost per visitation of \$7.81.</p> <p>While the operation of Council's aquatic facilities both indoor (Aqua Energy) and outdoor (Sale, Maffra, Heyfield, Yarram & Rosedale) were impacted by significant increased utilities and maintenance costs (increase of 46% in total across all facilities) the growth in visitation reduced the overall cost of aquatic facilities compared to other years.</p> <p>Attendances returned to pre-covid levels, with outdoor pools and learn to swim participation particularly well attended.</p>
AM1	Animal Management Timeliness <i>Time taken to action animal management requests</i> <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	1.16	1.18	1.10	1.12	<p>Local Laws officers responded to 1,371 domestic animal management requests during the 2022-23 financial year, with an average initial response time of 1.12 days.</p> <p>Animal management requests included lost, wandering or nuisance pets, animal welfare concerns, dog attack reports, reports of dangerous/menacing dogs and reports of illegal pet breeding activities.</p>

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
AM2	Service standard Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected] x 100</i>	68.74%	71.38%	71.69%	67.25%	<p>626 domestic animals were collected by Council's Local Laws officers during the 2022-23 financial year, 421 were reunited with their owners.</p> <p>Unclaimed animals are placed into the care of Victorian Animal Aid Trust and if suitable, rehomed through their pet adoption program.</p>
AM5	Animals rehomed <i>[Number of animals rehomed / Number of animals collected] x 100</i>	25.17%	27.82%	25.37%	32.75%	Through the dedicated work of Victorian Animal Aid Trust, 157 unclaimed animals were rehomed during the 2022-23 financial year, in addition to 421 lost animals returned to their owners.
AM6	Cost of animal management service per population <i>[Direct cost of the animal management service / population]</i>	\$14.65	\$17.82	\$19.99	\$20.05	<p>Direct animal management costs for the reporting period have been calculated at \$917,368 with a cost per head of population of \$20.05.</p> <p>While this figure sits near the middle of the expected range, it is only slightly higher than last year given the continuing increase in general costs.</p>
AM7	Animal management prosecutions <i>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</i>	100.00%	100.00%	100.00%	100.00%	<p>9 successful animal management prosecutions were finalised during the 2022-23 financial year.</p> <p>Prosecutions included serious dog attacks, unregistered breeders and prevention of cruelty to animal matters.</p>

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
FS1	Food Safety Timeliness <i>Time taken to action food complaints</i> <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	2.58	1.00	1.00	1.00	<p>Council received a total of 10 food complaints in 2022 which is one less than 2021. This demonstrates that community members are aware they can report concerns about the safety or handling of food that is sold within Wellington Shire via Council's Customer Action Request system.</p> <p>To minimise any further risk to the community, Council is committed to responding to food safety complaints as a priority. This is demonstrated by the 2022 results once again showing all food safety related complaints were responded to within 1 day.</p>
FS2	Service standard <i>Food safety assessments</i> <i>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Safety Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Safety Act 1984] x 100</i>	97.06%	75.65%	100.00%	88.89%	<p>For the year ending 31 December 2022, 27 premises required a food safety assessment with 24 food safety assessments being undertaken.</p> <p>The high inspection rate demonstrates that Council has prioritised the conduct of these inspections.</p> <p>There were 3 new premises registered late within the reporting period, therefore these food safety assessments were prioritised for the following registration period.</p> <p>During 2022, the legislative requirement relating to food safety assessments changed. As a result, the number of premises requiring food safety assessments is significantly lower in 2022 compared to other years.</p>

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
FS3	Service cost Cost of food safety service <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$371.59	\$402.31	\$420.88	\$418.12	Direct cost of Council's food safety program per all registered and notifiable food premises is \$418.12. The cost of delivering food safety service has remained steady during the last couple of years.
FS4	Health and safety Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises] x 100</i>	100.00%	96.15%	100.00%	100.00%	For the 2022 calendar year, there were 27 non-compliance notifications. All 27 food premises received one or more follow up inspections to ensure compliance with the <i>Food Act 1984</i> .

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
LB1	Libraries Utilisation Physical library collection usage <i>[Number of physical library collection item loans / Number of physical library collection items]</i>	2.17	1.94	1.97	2.21	Collection turnover has improved with the lifting of COVID-19 restrictions and the return of borrowers to the library. Our rate is now similar to pre-pandemic levels. This improvement can also be attributed to a reduction in our collection size which helps increase turnover rates, with newer collection items now better displayed.
	Resource standard Recently purchased library collection <i>[Number of library collection item loans / Number of physical library collection items]</i>	45.27%	46.18%	55.76%	56.00%	Continued work on collection maintenance has helped to improve the size and age of our collection. This work will be further continued into the new year which should see rates improve further.

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
LB4	Participation Active library borrowers in municipality <i>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x 100</i>	13.35%	12.02%	10.68%	9.94%	<p>The effects of COVID-19 closures and restrictions are still being felt in terms of membership.</p> <p>New members have increased by 12% in the last financial year.</p> <p>We are seeing an 20% increase in visits to the library, computer and Wi-Fi usage which could indicate that a large proportion of library users may not be borrowing members.</p>
LB5	Service cost Cost of library service per population <i>[Direct cost of the library service / Population]</i>	\$20.31	\$32.74	\$31.11	\$34.27	<p>Library facilities continue to provide value for services across the Shire offering a wide variety of resources and activities to the community.</p> <p>Increases in costs of goods and services have led to an increase in operating costs however, they are well within the target range.</p>

Strategic Direction 4: Services and Infrastructure

Indicators of Success

The following table reviews performance against the Council Plan 2021-25 including results achieved in relation to the Indicators of Success.

Indicators of Success:	Baseline	2021-22 Result	2022-23 Result	2025 Target
4.1 A financially sustainable, high performing organisation				
Working capital (Current assets as a percentage of current liabilities) (SDG 16.6)	(Similar Councils 2019-20) 299.58%	324.89%* *corrected from 326.58%	470.8%	Better than similar councils
Loans and borrowings as a percentage of rates (SDG 16.6)	(Similar councils 2019-20) 18.73%	1.13%	0.67%	Better than similar councils
4.2 Services deliver operating efficiencies and best value				
Community satisfaction rate with Council's overall performance (SDG 16.6.2)	(2020) Wellington Shire 62/100 (Large Rural was 55/100)	Wellington Shire 62/100 (Large Rural 55/100)	Wellington Shire 58/100 (Large Rural Council 52/100)	Continual improvement on WSC score
4.3 Well planned and sustainable towns, facilities and infrastructure				
Reduction in the Wellington Shire retail vacancy rate (SDG 11.a)	(2021) 6.7%* *Baseline corrected from 11.40%	6.0%	7.98%	10%

Indicators of Success:	Baseline	2021-22 Result	2022-23 Result	2025 Target
% of Community Managed Facilities accessibility audit recommendations delivered (SDG 9.1)	(2020) 5% of items	10% audit recommendations delivered	12%	10% each year
4.4 Safe and well-used transport connections across all modes of travel				
Community satisfaction with condition of sealed local roads (SDG 9.1)	(2020) Wellington Shire 59/100 (Large Rural 47/100)	Wellington Shire 54/100 (Large Rural 45/100)	Wellington Shire 50/100 (Large Rural 40/100)	>52/100
Increase in kilometres of active travel routes in Wellington Shire as identified under the urban paths plan (SDG 11.2)	(2021) 259km* * Baseline corrected from 237km	264km	269.5km (2km annual increase target met)	Increase by 2km of paths annually

Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2022/23 Budget for the year.

Business Unit	Major Initiatives	Progress comment	Status
Arts & Culture	Plan for and present major loan exhibitions following The Archibald Prize at the Gippsland Art Gallery in October 2021.	Planning for the first 'blockbuster' exhibition since the Archibald Prize is well under way, with 'Annemieke Mein: A Life's Work' to be presented from 2 March to 26 May 2024. This will be followed by 'The Americans: Master Works from the NGA' in December 2024, and 'Turner & Australia' in June 2025.	Completed 100%
Arts & Culture	Finalise the production of a business case and concept design for redevelopment options of The Wedge Performing Arts Centre.	Business case completed. Concept design and funding sourcing currently underway.	Completed 100%
Land Use Planning	Advance private rezoning requests in North Sale and Longford to support future urban growth in these areas.	Three Planning Scheme Amendments (C114/115/116) have been adopted by Council to support future urban growth in North Sale and Longford and have now been approved by the Minister for Planning.	Completed 100%
Community Facility Planning	Advocate strongly to State Government and local stakeholders for improvements to the inter-town transport network connecting major towns to key regional centres in Gippsland.	Wellington Shire Council (WSC) continue to progress partnerships with the Royal Flying Doctor Service and Central Gippsland Health Service to advocate strongly for improvements to inter-town transport.	Progressing at 40%

Business Unit	Major Initiatives	Progress comment	Status
CEO	Advocate strongly to State Government and local stakeholders for improvements to the passenger train service to key regional centres.	<p>In October 2022 as part of a joint campaign with the Committee for Wellington, a letter was sent to the Deputy Secretary for the Ministry of Transport regarding getting more train services for Sale.</p> <p>A response was received noting the Regional Network Development Plan (RNDP) sets an objective of five services a day to Bairnsdale and Sale.</p> <p>An important first step is to build train stabling at Bairnsdale to enable newer, more reliable and accessible VLocity trains to operate all services to Bairnsdale.</p> <p>Funding for new train stabling at Bairnsdale was provided in the 2022-23 State Budget.</p> <p>Council is continuing to support the Rail Advocacy Sub-committee of the Committee for Wellington.</p>	Progressing at 80%
Economic Development	Facilitate support, investment and growth in business, government enterprises and infrastructure development, with particular focus on continued COVID-19 business recovery through promoting the middle of everywhere campaign in partnership with the BTA's.	<p>Council provided businesses with direct support through the business concierge program throughout Covid lockdown periods.</p> <p>Council also directly assisted hospitality businesses with support as part of the State Government Outdoor Dining Grant Program to enable more outdoor dining options during the Covid outbreak.</p>	Completed 100%

Business Unit	Major Initiatives	Progress comment	Status
People & Capability	Implement a Memorandum of Understanding to utilise HR resources and services across both Wellington Shire and East Gippsland Shire Councils.	Shared Services of HR resources was commenced in practice in 2022 with the Shared resource of Marcus Vella as the Manager People & Capability. With his resignation in June 2023, this is being reviewed. Shared Services of HR services is progressing ahead with a successful joint tender for a new HRIS to be implemented across both Councils. Work is continuing on contract negotiation and implementation with a view to being fully completed in late 2024.	Progressing at 60%

Services

The following table provides information in relation to the services funded in the 2022/23 Budget.

Service Area	Description	Net Cost <u>Actual Budget</u> Variance \$000
Assets and Projects	The Assets and Projects unit manages a diverse range of services for Council including the implementation and management of capital projects across the organisation in the order of \$41M to \$50M per annum and providing asset management and information systems and support.	482 <u>2,833</u> (2,351)

Service Area	Description	Net Cost <u>Actual Budget</u> Variance \$000
Built Environment	The Built Environment unit manages the maintenance, renewal and improvement of Council's road and boating infrastructure, in addition to various civic facilities and buildings, including roadways, paths, drainage, boat ramps and jetties etc. This includes planning for new infrastructure development opportunities and managing Council's road maintenance teams and ensures that maintenance of Council's road and other infrastructure is performed in a coordinated way to maximise benefits to the community and other users.	4,375 <u>8,320</u> (3,945)
Arts & Culture	The Wedge, as part of the Arts & Culture unit, seeks to assist in the development of a vibrant and culturally active community that: promotes expression and participation through visual, literary and performing arts; informs and educates the community on various aspects of the arts; enhances the lifestyle of Wellington residents; and encourages visitors to explore the heritage and culture of the region.	1,166 <u>984</u> 182
Land Use Planning	The Land Use Planning unit, through our statutory planning and strategic land use planning services, aims to develop and improve forward looking land use planning policies and plans that guide and support sustainable growth and appropriate land use and development. Many of these services are provided through and driven by legislation. We aim to provide services that satisfy community needs by encouraging and supporting well-designed development that meets required standards.	850 <u>1,268</u> (418)
Community Facility Planning	The Community Facility Planning team provides services and functions directed at fostering a healthy, well serviced community with a primary focus on community infrastructure planning, priorities and projects; project funding attraction; management and governance of community facilities and administration of Council's community assistance grants scheme. The team plans for and supports recreation facilities that encourage the community to participate in physical and general wellbeing activities and the development of community infrastructure that addresses community service needs.	2,643 <u>2,773</u> (130)

Service Area	Description	Net Cost <u>Actual Budget</u> Variance \$000
Finance	The Finance unit provides financial, payroll, rating and property valuation services to the organisation, community and external stakeholders. These services underpin the drive to be a financially sustainable Council, comply with the necessary legislative requirements and meet community needs. The unit also aims to provide a safe, reliable and sustainable fleet of vehicles to support the organisation in achieving its goals. The significant procurement goal is that of gaining good value from our purchasing.	2,534 <u>2,963</u> (429)
Information Services	The Information Services unit provides centralised and integrated information services and new and emerging technologies to assist Council to reach the 2030 Vision.	3,073 <u>3,937</u> (865)
Councillors, Chief Executive and Executive Team	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support which covers service provision across the entire organisation.	2,679 <u>3,301</u> (622)
Communications and Media	This area provides internal and external communication services and support and branding initiatives for Council. The team also seeks to proactively inform our community and our staff ensuring transparency, consistency and clarity of our message.	434 <u>524</u> (90)
Regulatory Services	The Customer Service team, as part of the Regulatory Services unit, provides responsive, quality customer service to all stakeholders.	514 <u>512</u> 2
Economic Development	The Commercial Facilities team, as part of the Economic Development unit, manages a range of commercial property portfolios including strategic projects in addition to completing the transactions for property acquisitions, disposal and transfers.	(56) <u>(70)</u> 14
People & Capability	The People & Capability unit provides expert and responsive advice and services in the areas of Human Resources, Learning & Development, Occupational Health & Safety and Risk Management.	2,924 <u>3,023</u> (98)

Service Performance Indicators

The following table provides the results of the prescribed service performance indicators and measures including explanation of results in the comments.

Service / <i>indicator</i> / <i>measure</i>		Results				Comments
		2020	2021	2022	2023	
G1	<p>Governance</p> <p>Transparency</p> <p><i>Council decisions made at meetings closed to the public</i></p> <p><i>[Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x 100</i></p>	1.94%	2.69%	4.21%	4.39%	<p>Council made 228 resolutions during the 2022/23 financial year. Of those decisions, only 10 or 4.39% were made in meetings closed to the public.</p> <p>Council maintains transparent processes in order that the community is informed by and engaged with Council business.</p> <p>Additionally, all meetings open to the public are broadcast live via Council's website and made available via an online video archive.</p> <p>Council actively strives to make few decisions in closed session to ensure transparency and accountability to the community in its decision making.</p>

Service / <i>indicator</i> / <i>measure</i>		Results				Comments
		2020	2021	2022	2023	
G2	Consultation and engagement Satisfaction with community consultation and engagement <i>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</i>	57.00	58.00	55.00	53.00	Councils' participation in the 2023 Local Government Community Satisfaction Survey resulted in the community satisfaction rating being four points higher than the large rural average and one point higher compared to state-wide average, for the way Council has performed in community consultation and engagement processes.
G3	Attendance Councillor attendance at council meetings <i>[The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) x (Number of Councillors elected at the last Council general election)] x 100</i>	92.13%	95.65%	92.75%	93.72%	Councillors' commitment to actively serve the community is reflected in its 93.72% attendance rate at the 22 ordinary Council meetings and one unscheduled Council meeting held in the 2022-23 financial year. With the extension of the Ministerial Good Practice Guideline for Virtual Meetings, Council continues to embrace a hybrid Council meeting model, combining in person and virtual attendance. This flexibility has allowed Councillors to continue to effectively participate in Council meetings while balancing a return to in person Councillor engagements across the shire.

Service / <i>indicator</i> / <i>measure</i>		Results				Comments
		2020	2021	2022	2023	
G4	Service cost Cost of elected representation <i>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</i>	\$42,221.29	\$36,776.85	\$45,334.88	\$50,451.00	The 2022/23 costs include increases to the Allowances legislated by the Victorian Independent Remuneration Tribunal. This increase was applied to the existing Mayor, Deputy Mayor and Councillor allowances and the Remote Area Travel Allowance.
G5	Satisfaction Satisfaction with council decisions <i>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</i>	58.00	61.00	59.00	54.00	The satisfaction score for Council decision making as measured by the 2023 Local Government Community Satisfaction Survey resulted in a decline of five points compared to last year. Council notes there was also a decline in the large rural and state-wide averages. However, the result for Wellington Shire Council remains six points higher than the large rural average and three points higher compared to state-wide average.

Service / <i>indicator</i> / <i>measure</i>		Results				Comments
		2020	2021	2022	2023	
R1	Roads Satisfaction of use <i>Sealed local road requests</i> <i>[Number of sealed local road requests / Kilometres of sealed local roads] x 100</i>	11.12	15.58	26.17	26.09	<p>The number of customer action requests for local sealed roads is very similar to the previous 2021/22 financial year.</p> <p>This is likely due to the ongoing wet weather conditions resulting in continued rainfall, as well as a number of road rehabilitation projects which are continuing to be implemented.</p> <p>Now that the majority of immediate emergency works have been completed from a number of emergency events over recent years, Wellington Shire's maintenance team can re-focus efforts on scheduled maintenance.</p>

Service / <i>indicator</i> / <i>measure</i>		Results				Comments
		2020	2021	2022	2023	
R2	<p>Condition</p> <p><i>Sealed local roads maintained to condition standards</i></p> <p><i>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100</i></p>	99.97%	99.97%	99.68%	97.84%	<p>The percentage of roads below the set condition level is at 97.84%, which is lower than the previous year's result.</p> <p>Wellington Shire has assessed its latest condition data for its sealed local roads, which has noted a number of roads in a poorer condition compared to this time last year.</p> <p>This is likely due to the impacts of the increased storm events and ongoing wet weather which has significantly impacted many of our rural sealed roads.</p> <p>Wellington Shire is planning to increase its investment into sealed local road reconstructions and rehabilitations over the next few years to improve Council's overall road condition.</p>
R4	<p>Service cost</p> <p><i>Cost of sealed local road resealing</i></p> <p><i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i></p>	\$4.22	\$4.03	\$3.67	\$4.65	<p>In 2022/23, the unit rate for Wellington Shire Council's road sealing program has increased when compared to the 2021/22 financial year.</p> <p>This is likely due to the increased bitumen and oil prices which have impacted many of Council's projects and operational activities.</p>

Service / <i>indicator</i> / <i>measure</i>		Results				Comments
		2020	2021	2022	2023	
R5	<p>Satisfaction</p> <p><i>Satisfaction with sealed local roads</i></p> <p><i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i></p>	59.00	65.00	54.00	50.00	<p>Results from the 2023 Community Satisfaction Survey shows a decrease from the previous year's satisfaction rating for sealed local roads.</p> <p>This result is 10 points higher than average for similar large rural Councils. Similar to the previous year, this continued decrease in satisfaction could be attributed to roads which are in poor condition due to the ongoing wet weather over the last few years.</p> <p>Wellington Shire's maintenance teams have continued to undertake large-scale repair and patching works to ensure the roads remain usable and are in line with Council's Road Management Plan.</p> <p>Wellington Shire are also planning to undertake major capital reconstruction works on a number of its poor condition roads over the next few years. Wellington Shire Council is responsible for a road network of 3,116km, where 1,548km are sealed and 1,568km are unsealed.</p>

6.0 Governance & Management

6.1 Governance

As a transparent and accountable local government, Wellington Shire Council places great emphasis on maintaining high standards of governance, ensuring ethical behaviour, and proactively managing risks. Wellington Shire Council is constituted under the *Local Government Act 2020* to provide leadership for the good governance of the municipal district and local community.

Council has a number of roles including:

- considering the diverse needs of the local community in decision-making
- providing leadership by establishing strategic objectives and monitoring achievements
- ensuring that resources are managed in a responsible and accountable manner
- advocating the interests of the local community to other communities and levels of government
- fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation activities, public forums such as community meetings and the ability to make submissions to Council.

Council places a strong emphasis on good governance and transparency of Council decisions, actions and information. Good governance principles are followed by making decisions based on proper processes and systems and supporting Council officers to carry out these decisions appropriately. Council is committed to ensuring that Council operates effectively, efficiently, impartially and with integrity.

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

Meetings of Council

Meetings of the Council are held on the first and third Tuesday of each month, excluding January.

Council meetings were alternated between 3pm and 6pm. As of 6 June 2023, Council decided to change all council meetings to the set time of 5pm. This change brings consistency and improves accessibility within the community.

Copies of the Council Agenda are available prior to the meeting on the website. Interested members of the public can attend Council meetings in person or view a live stream over the internet. Recording of meetings can be accessed via Council's web page at <https://www.wellington.vic.gov.au/council/meeting-minutes-and-agendas>

Minutes are also available on the website and the meeting procedure is outlined in the Council's Governance Rules. Council meetings provide the opportunity for community members to submit a question to the Council either in person or online.

Council held the following meetings during 2022/23:

- 22 Ordinary Council Meetings
- One Unscheduled Council Meeting.



Image: Wellington Room – Port of Sale

Councillor Meeting Attendance 2022/23

The following table provides a summary of councillor attendance at council meetings and unscheduled council meetings for the 2022/23 financial year.

Councillor (5 July 2022 – 2 November 2022)	Ordinary Council Meeting	Unscheduled Council Meeting	Total
Cr Bye (Mayor)	8	0	8
Cr McKenzie (Deputy Mayor)	7	0	7
Cr Crossley	8	0	8
Cr Maher	8	0	8
Cr Ripper	9	0	9
Cr Rossetti	9	0	9
Cr Stephens	8	0	8
Cr Tatterson	9	0	9
Cr Wood	9	0	9

Councillor (5 November 2022 – 30 June 2023)	Ordinary Council Meeting	Unscheduled Council Meeting	Total
Cr Bye (Mayor)	13	1	14
Cr Tatterson (Deputy Mayor)	13	0	13
Cr Crossley	9	1	10
Cr Maher	12	1	13
Cr McKenzie	12	1	13
Cr Ripper	13	1	14
Cr Rossetti	13	1	14
Cr Stephens	13	1	14
Cr Wood	13	1	14

Delegated Committees

Delegated committees have the powers, duties and functions of Council as set out in the applicable Instrument of Delegation and Terms of Reference. Wellington Shire Council has not established any delegated committees.

Councillor Representation on Committees as at 30 June 2023

Advisory Committees

Advisory Committees have been established to assist Council and the community in a number of areas. These committees are generally governed by a Terms of Reference endorsed by Council and may consist of Councillors, Council Officers and community members as determined by the Terms of Reference.

Advisory Committees do not have decision making authority. Their purpose is to provide information or advice to Council to assist it in its decision-making role.

Advisory Committee	Purpose	Councillors
Aqua Energy Redevelopment – Project Reference Group	To implement community engagement, planning and review processes for the Aqua Energy Redevelopment Project, providing a forum for information to stakeholders in terms of project progress.	Cr Bye (Mayor) Cr Tatterson (Deputy Mayor)
Audit & Risk Committee	To assist Council in the effective conduct of its responsibilities for financial and non-financial reporting and performance, management of risk, information services governance, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.	Cr Stephens Cr Maher Cr McKenzie (alternate)
CEO Employment and Remuneration Committee	To oversee the review of the CEO's performance as per the terms and conditions of the contract of employment.	Cr Bye (Mayor)
Gippsland Art Gallery Advisory Group	To provide input to the Council on the operation, policy development and future planning of Gippsland Art Gallery.	Cr Crossley Cr Rossetti (alternate)

Advisory Committee	Purpose	Councillors
Gippsland Regional Sports Complex User Group Committee	To provide advice, information, and feedback in relation to operational, maintenance and use of Gippsland Regional Sports Complex. Also, to share information with other users of the Gippsland Regional Sports Complex.	Cr Tatterson (Deputy Mayor) Cr Bye (Mayor) (alternate)
Place Names Committee	To make recommendations to Council on naming issues.	Cr Maher Cr Rossetti Cr Crossley
Port of Sale Masterplan Implementation Steering Committee	To facilitate the coordinated implementation of the key elements of the Port of Sale Masterplan.	Cr Bye (Mayor) Cr Crossley Cr Wood
Remuneration Committee	To monitor and review Councillor expenses, allowances for key Committees and any other related matters that may arise.	Cr Bye (Mayor) Cr Tatterson (Deputy Mayor) Cr McKenzie
Strategic Land Use Planning and Economic Development Group	To provide local Councillor input into and review the range of current strategic planning projects and Planning Scheme Amendments.	Cr Bye (Mayor) Cr Tatterson (Deputy Mayor) Cr Maher
The Wedge Advisory Group	To provide input to the Council on the operation, policy development and future planning of The Wedge performing arts centre, with current focus on potential redevelopment of the centre.	Cr Bye (Mayor) Cr Rossetti Cr Crossley Cr Tatterson (Deputy Mayor) (alternate)
Wellington Disability Advisory Committee	To provide advice to Wellington Shire Council on matters relating to access and inclusion for people living with a disability.	Cr Crossley Cr Wood (alternate)
Wellington Youth Service Network	To optimise the quality of life of all young people within the Wellington Shire.	Cr Wood
Wellington Shire Youth Council	To develop and deliver projects and campaigns, and advocate for young people in Wellington.	Cr Crossley Cr Wood (alternate)

Community Assets Committees

Under section 65 of the *Local Government Act 2020* the Council may establish one or more Community Asset Committees, made up of any combination of Councillors, Council Officers and community members or organisations as determined by Council.

Community Asset Committee	Purpose	Councillors
Briagolong Recreation Reserve Committee	To protect, promote and develop the Briagolong Recreation Reserve.	No Councillor representative nominated
Cameron Sporting Complex Committee	To protect, promote and develop the Cameron Sporting Complex, Maffra.	Cr Tatterson (Deputy Mayor)
Gordon Street Reserve Committee	To protect, promote and develop the Gordon Street Reserve.	Cr Ripper
Maffra Recreation Reserve Committee	To protect, promote and develop the Maffra Recreation Reserve.	Cr Ripper
Newry Recreation Reserve Committee	To protect, promote and develop the Newry Recreation Reserve.	Cr Ripper

Other Groups

These groups and statutory committees are subject to formal Council approval processes.

Committee	Purpose	Councillors
Wellington Shire Municipal Emergency Management Planning Committee	To develop, implement, maintain and monitor a Municipal Emergency Management Plan in accordance with the <i>Emergency Management Legislation Amendment Act 2018</i> .	Cr Wood Cr Crossley (alternate)
Business Boost Reference Group (Business Recovery Sub-committee)	To provide a forum for representatives of the business community and Council to provide feedback and input relating to economic development across Wellington Shire.	Cr Maher Cr Wood

Committee	Purpose	Councillors
Wellington Renewable Energy Forum	To demonstrate support and provide input to the Renewable Energy projects and proposals in Wellington Shire.	Cr Bye (Mayor) Cr Crossley Cr Stephens Cr McKenzie Cr Maher
Sale Performance Space Fundraising Committee	To maintain a public fund into which the public may contribute towards the construction, maintenance, upgrade and expansion of Council owned cultural spaces, facilities and equipment.	Cr Crossley

Committees of Other Organisations

Councillors are often requested or required to represent Council via participation on Committees formed by other organisations.

Committee	Purpose	Councillors
Gippsland Climate Change Network Incorporated	To provide Gippsland, at an individual and organisational level; information, consultation, and facilitation to enable action on climate change, whilst also providing a voice for Gippsland on climate change issues.	Cr Crossley
One Gippsland	To connect the dots between government, business and community, while collectively working together to champion the interests of our region and our people.	Cr Bye (Mayor)
Municipal Association of Victoria	The legislated peak body for local government in Victoria.	Cr Rossetti Cr Tatterson (Deputy Mayor) (alternate)
Southeast Australian Transport Strategy	Integrated transport strategy for southeast Australia.	Cr Tatterson (Deputy Mayor)

Code of Conduct

As per Section 139 of the *Local Government Act 2020*, Councillors are expected to adhere to a Code of Conduct that outlines the standards of conduct to be followed while performing their duties. The Local Government (Governance and Integrity) Regulations 2020 support these standards and additional matters may be included at the discretion of the Council. Wellington Shire Council's Councillor Code of Conduct was reviewed, revised and adopted by the Council on 16 February 2021.

The purpose of the Code of Conduct is to provide guidance for compliance with the Standards of Conduct and to ensure that Councillors recognise how these standards enhance their statutory duties. The Code sets out the minimum standards of conduct required of Councillors and aims to foster good working relationships among them to work constructively together in the best interests of the municipality. It also mandates Councillor conduct that builds public confidence in the integrity of local government, outlines internal resolution procedures for dealing with misconduct and alleged contravention of the Councillor Code of Conduct, and sets out processes for resolving internal disputes involving Councillors. Additionally, the Code provides for the review of key strategic documents of the Council, including the Council Plan, to ensure that Councillors are fulfilling their duties in the most appropriate manner possible.



Image: Promoting compliance

Conflict of Interest

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

A conflict of interest arises when an individual has an interest that could improperly influence, or be seen to influence, their decisions or the performance of their Council duties. All Councillors must comply with section 130 of the *Local Government Act 2020*, Governance Rules and the Councillor Code of Conduct when declaring conflicts of interests. Council has a standard procedure for all Council and Committee meetings requiring the declaration of a conflict of interest as either a General (section 127) or Material Conflict (Section 128) and then stepping aside from the relevant decision-making process or from the exercise of public duty.

During 2022/23, the following conflicts of interest were declared at Council and Special/Unscheduled Council meetings.

Date of declaration	Councillor	Conflict of interest – Council meetings
16 May 2023	Cr Stephens	General – s127 – Item 16.1 Community Assistance Grants
21 March 2023	Cr Maher	General – s127 – Item 17.1 Gippswide Kerbside Joint Waste Procurement: Collection & Transport/Residual Waste Tender Report
7 March 2023	Cr Bye (Mayor)	Material – s128 – Item 13.5 Stratford Recreation Reserve Pavilion
7 February 2023	Cr McKenzie	General – s127 – Item 7.2 Response to Petition Princess Street and Spring Street, Port Albert
6 December 2022	Cr McKenzie	General – s127 – Item 7.2 Receipt of Petition
15 November 2022	Cr Maher	General – s127 – Item 18.1 Glass and Mixed Recycling Processing Tender
18 October 2022	Cr Crossley	General – s127 – Item 16.1 Community Assistance Grants
18 October 2022	Cr Stephens	General – s127 – Item 16.1 Community Assistance Grants
19 September 2022	Cr Maher	General & Exemption – s127 & s129 – Item 18.1 Organics Processing Tender (In Closed Session)
16 August 2022	Cr Stephens	General – s127 – Item 16.1 Quick Response Grants - March to June 2022
16 August 2022	Cr Stephens	General – s127 – Item 7.3 Response to Petition: Implementation of a Traffic Management Plan for Nightingale Street, Yarram

Councillor Allowances

In accordance with section 39 of the *Local Government Act 2020*, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor and Deputy Mayor receive a higher allowance. The allowance amounts are specified by a Determination of the Victorian Independent Remuneration Tribunal (VIRT) under the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*. Wellington Shire Council is classified as a Category 2 Council. Council Allowances are paid monthly, and a pro-rata adjustment made with the change of Mayor/Deputy Mayor and with the change of Councillors following the General Election.

During the year, an increase was applied from 18 December 2022 in accordance with the determination from the VIRT.

Table 1 provides the allowance amounts set by the VIRT during the financial year. The allowance is inclusive of any Superannuation Guarantee Contribution amount, or equivalent, that may be payable under Commonwealth law to the Council member with respect to their service.

Table 2 contains a summary of the allowances paid to each councillor during the 2022/23 year.

Table 1

Council Member	Amount 01/07/2022 – 17/12/2022	Amount 18/12/2022 – 30/06/2023
Mayor	\$96,470	\$100,637
Deputy Mayor	\$48,235	\$50,319
Councillor	\$30,024	\$31,353

Table 2

Councillor	Term of Office during the financial year	Allowance
Cr Ian Bye	01/07/2022 to 30/06/2023 (Mayor)	\$99,001.57
Cr Carloyn Crossley	01/07/2022 to 30/06/2023	\$30,828.71
Cr Marcus McKenzie	01/07/2022 to 02/11/2022 (Deputy Mayor) 02/11/2022 to 30/06/2023 (Councillor)	\$18,953.62 \$18,056.21
Cr Gayle Maher	01/07/2022 to 30/06/2023	\$30,828.71
Cr Carmel Ripper	01/07/2022 to 30/06/2023	\$30,828.71
Cr Scott Rossetti	01/07/2022 to 30/06/2023	\$30,828.71
Cr Garry Stephens	01/07/2022 to 30/06/2023	\$30,828.71
Cr John Tatterson	01/07/2022 to 02/11/2022 (Councillor) 02/11/2022 to 30/06/2023 (Deputy Mayor)	\$12,827.63 \$30,492.43
Cr Jill Wood	01/07/2022 to 30/06/2023	\$30,828.71

Councillor Expenses

In accordance with section 40 of the *Local Government Act 2020*, it is mandatory for Council to reimburse a Councillor for any expenses incurred while carrying out his or her duties as a Councillor. Additionally, the Council has to establish and uphold a policy concerning the reimbursement of expenses for Councillors. This policy outlines the procedures for the payment of reimbursements of expenses and the provision of resources, facilities, and other support to the Mayor and Councillors to assist them in carrying out their responsibilities.

The details of Councillor expenses for the 2022/23 year are shown below.

Councillor	Travel	Car Mileage	Child Care	Information & Communication	Conferences & Training	Total
	\$	\$	\$	\$	\$	\$
Cr Ian Bye Mayor 01/07/2022 to 30/06/2023	0	0	0	441	4,414	4,855
Cr Carloyn Crossley Councillor 01/07/2022 to 30/06/2023	0	982	0	441	1,249	2,672
Cr Marcus McKenzie Deputy Mayor 01/07/2022 to 02/11/2022 Councillor 02/11/2022 to 30/06/2023	1,336	7,716	0	389	3,515	12,956
Cr Gayle Maher Councillor 01/07/2022 to 30/06/2023	1,199	5,309	0	441	2,255	9,204

Councillor	Travel	Car Mileage	Child Care	Information & Communication	Conferences & Training	Total
	\$	\$	\$	\$	\$	\$
Cr Carmel Ripper Councillor 01/07/2022 to 30/06/2023	133	3,366	0	389	1,800	5,688
Cr Scott Rossetti Councillor 01/07/2022 to 30/06/2023	177	1,602	0	353	233	2,365
Cr Garry Stephens Councillor 01/07/2022 to 30/06/2023	1,148	3,791	0	441	480	5,861
Cr John Tatterson Councillor 01/07/2022 to 02/11/2022 Deputy Mayor 02/11/2022 to 30/06/2023	0	0	0	389	4,103	4,492
Cr Jill Wood Councillor 01/07/2022 to 30/06/2023	0	0	0	389	0	389

Notes: There were no expenses paid to delegated committee members as Council does not have any delegated committees.

The Mayor has zero travel reimbursements during the financial year due to being provided with a Wellington Shire Council owned motor vehicle at a cost of \$7,907.

6.2 Management

Management

Council continues to implement statutory and better practice improvements to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by Council.

The Local Government Act 2020 requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its Report of Operations.

Council's [Governance and Management Checklist](#) results are set out in section 6.3.



Image: Strong governance and management frameworks

Audit & Risk Committee

Under section 53 of the *Local Government Act 2020* Council must establish an Audit & Risk Committee to advise Council in the discharge of its responsibilities for financial reporting, risk management, maintaining a reliable system of internal controls and fostering the organisation's ethical development. Council must prepare and approve the Audit & Risk Committee Charter, that specifies the functions and responsibilities of the Audit & Risk Committee.

The Audit & Risk Committee is advisory and does not have decision making authority. The committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit & Risk Committee consists of three independent members, Mr Chris Badger (Chair), Ms Sarah Heath and Mr Tony Smith and two Councillors. Independent members are appointed for a maximum term of three years. The Chair is elected from amongst the independent members.

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

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

The Committee met on five occasions during 2022/23, providing advice to Council on a wide range of issues including:

- quarterly legal and insurance reports,
- risk management updates
- financial reports
- updates on outstanding audit recommendations
- review of Council policies considered strategic in nature and
- updates on Information Services and cyber security.

Other key outcomes for the 2022/23 year are summarised below.

In **August 2022** the Committee:

- Received and noted the internal audits on;
 - Tendering and Contract Management; and
 - Follow up review
- Considered the Risk Management Program Plan 2022;

- Reviewed the VAGO Reports: *Offsetting Native Vegetation Loss on Private Land* and *Fraud Control over Local Government Grants*;
- Received a report on Related Party Transactions;
- Received a report on the Chief Executive Officer's credit card expenditure;
- Received a report on the reimbursements made to Councillors and members of delegated Committees.

In **September 2022** the Committee:

- Adopted in-principle the 2021/22 financial and performance statements in accordance with legislative requirements;
- Reviewed the Local Government Performance Reporting service indicators for the 2021/22 financial year.

In **November 2022** the Committee:

- Received and noted the internal audit on Fraud and Corruption Control Framework (incl. awareness survey);
- Reviewed the Risk Management Framework Project Plan;
- Reviewed and agreed to proposed changes to the Audit & Risk Committee Charter;
- Received the Biannual Report to Council on Audit & Risk Committee Activities;
- Received a summary of the Gifts Register.

In **February 2023** the Committee:

- Elected Chris Badger as Chair of the Committee;
- Received an update on the Risk Management Framework Project Plan;
- Received a report on Occupational Health and Safety across the organisation;
- Received a report on Related Party Transactions.
- Received a report on the Chief Executive Officer's credit card expenditure.
- Received a report on the IBAC Survey on Perceptions of Local Government Corruption;
- Received an update on the *Local Government Legislation Amendment (Rating and Other Matters) Act 2022*;
- Reviewed and agreed to proposed changes to the Audit & Risk Committee Annual Plan.

In **June 2023** the Committee:

- Received and reviewed the Audit Strategy Memorandum as provided by Council's External Auditors, Crowe;
- Received and noted the Internal Audit on Business Continuity Planning & Disaster Recovery (incl. operations going forward in the COVID-19 environment);
- Considered the draft Strategic Internal Audit Plan;
- Endorsed the Risk Management Framework documentation;
- Received a six monthly report of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies;

- Received the 2022/23 JLT Public Sector Risk Report;
- Considered the annual review of internal audit performance;
- Received a report providing an overview of Landfill Provision;
- Received an update on actions from the VAGO *Sexual Harassment in Local Government* report and the results of Council's Respectful Workplace Survey;
- Received and considered an update on the draft 2023/24 Budget;
- Received the VAGO Reports: *Results of 2022-22 Audits: Local Government* and *Regulating private pool and spa safety*;
- Received the Biannual Report to Council on Audit & Risk Committee Activities;
- Received a summary of the Gifts Register.

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. The function is undertaken by an independent external provider. A risk-based three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change to operations, systems or the business environment, prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit & Risk Committee annually.

The Internal Auditor attends each Audit & Risk Committee meeting to report on the status of the SIAP, to provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk rated. Recommendations are assigned to the responsible Manager and tracked in Council's corporate planning system. Managers provide quarterly status updates that are reviewed by the Audit & Risk Committee.

The SIAP for 2022/23 was undertaken with the following reviews conducted:

- Tendering and Contract Management – August 2022
- Follow Up Review – August 2022;
- Fraud and Corruption Control Framework (incl. awareness survey) – September 2022
- Business Continuity Planning & Disaster Recovery (incl. operations going forward in the COVID-19 environment) – May 2023

External Audit

Council is externally audited by the Victorian Auditor-General's representatives to provide an assurance that financial statements reflect the financial position at the end of the financial year. Audits of Council's Financial Statements and Performance Statement are conducted annually by testing a sample of Council's internal controls, observing processes being performed, making enquiries of key staff within Council and examining financial and accounting records and other relevant documents.

The external auditors also attended the September 2022 and June 2023 Audit & Risk Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses were also provided to the Audit & Risk Committee.

Risk Management

Council's Risk Management Framework was updated in June 2023 and consists of a policy, strategy, risk appetite statement, procedure, toolkit and risk register. Together these documents identify why Council undertakes risk management and how staff are expected to do so. The Framework is based on the International Risk Management standard, ISO 31000:2018 which supports the organisation to manage risks effectively and consistently.

The Risk Management Framework addresses items such as:

- risk management culture
- communication and training
- best practice in risk management
- responsibilities of internal and external stakeholders
- risk registers, risk management software and reporting

Insurance

Council worked with its insurance broker to renew our broad insurance portfolio ensuring consistency with Council's identified risk profile and requirements. Risk management services and learning opportunities are provided as part of Council's membership of the liability insurance scheme.

Business Continuity Planning

The purpose of Council's Business Continuity Plan is to build organisational capability to support the critical functions of Council in the event we have an interruption affecting our buildings, technology, or resources. A practical exercise was conducted during 2022 which provided the opportunity to test our ability to respond to a simulated event. Participants found they were in a good position to minimise the impact of an interruption and also took away learnings to apply in the case of an unplanned event.

6.3 Governance and Management Checklist

Item No.	Governance and Management Items	Assessment
1	Community Engagement Policy <i>(Policy under section 55 of the Act outlining council's commitment to engaging with the community on matters of public interest)</i>	Adopted in accordance with section 55 of the Act <i>Community Engagement Policy</i> Date of adoption: 20 December 2022
2	Community Engagement Guidelines <i>(Guidelines to assist staff to determine when and how to engage with the community)</i>	<i>Community Engagement Strategy 2021 provides guidelines to assist staff to determine when and how to engage with the community.</i> Date of operation: 2 March 2021
3	Financial Plan <i>(Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)</i>	Adopted in accordance with section 91 of the Act <i>Financial Plan 2021/22 - 2030/31</i> Date of adoption: 19 October 2021
4	Asset Plan <i>(Plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)</i>	Adopted in accordance with section 92 of the Act <i>Asset Plan 2021-2025</i> Date of adoption: 19 October 2021
5	Revenue and Rating Plan <i>(Plan under section 93 of the Act setting out the rating structure of council to levy rates and charges)</i>	Adopted in accordance with section 92 of the Act <i>Revenue and Rating Plan 2021-2024</i> Date of adoption: 1 June 2021

Item No.	Governance and Management Items	Assessment
6	Annual Budget <i>(Plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)</i>	Adopted in accordance with section 94 of the Act <i>Budget 2023/24</i> Date of adoption: 20 June 2023
7	Risk Policy <i>(Policy outlining Council's commitment and approach to minimising the risks to Council's operations)</i>	<i>Risk Management Policy</i> Date of operation: 20 June 2023
8	Fraud Policy <i>(Policy outlining Council's commitment and approach to minimising the risk of fraud)</i>	<i>Fraud Control Policy</i> Date of commencement of current policy: 20 December 2022
9	Municipal Emergency Management Plan <i>(Plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)</i>	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 <i>Municipal Emergency Management Plan 2020 - 2023</i> Date of preparation: 1 October 2020
10	Procurement Policy <i>(Policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)</i>	Adopted in accordance with section 108 of the Act <i>Procurement Policy</i> Date of adoption: 21 December 2021

Item No.	Governance and Management Items	Assessment
11	Business Continuity Plan <i>(Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)</i>	Plan in operation <i>Business Continuity Plan</i> Date of operation: 15 February 2021
12	Disaster Recovery Plan <i>(Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)</i>	Plan in operation <i>ICT Disaster Recovery Plan</i> Date of operation: 22 March 2022
13	Risk Management Framework <i>(Framework outlining Council's approach to managing risks to the Council's operations)</i>	Framework Date of operation: 20 June 2023
14	Audit & Risk Committee <i>(Advisory committee of council under sections 53 and 54 of the Act)</i>	Continuation of existing Audit & Risk Committee established in accordance with section 53 of the Act Date of establishment: 1 September 2020
15	Internal Audit <i>(Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)</i>	Internal Auditor engaged Date of engagement of current provider: 29 June 2017
16	Performance Reporting Framework <i>(A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)</i>	Framework in operation Date of operation: 1 July 2019

Item No.	Governance and Management Items	Assessment
17	Council Plan Report <i>(Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first 6 months of the financial year)</i>	<p><i>Council Plan 2021-25 Progress Report</i></p> <p>Date of report: 15 November 2022</p>
18	Financial Reporting <i>(Quarterly reports to the Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)</i>	<p>Reports presented to the Council in accordance with section 97(1) of the Act</p> <p><i>Financial Plan 2021/22 - 2030/31</i></p> <p>Date of adoption: 19 October 2021</p> <p>Financial reporting provided in Quarterly Performance Reports to Council.</p> <p>Dates reports presented:</p> <ul style="list-style-type: none"> • 2021/22 First Quarter report presented: Council meeting - 16 August 2022 • 2021/22 Second Quarter report presented: Council meeting - 18 October 2022 • 2021/22 Third Quarter report presented: Council meeting - 7 February 2023 • 2021/22 Fourth Quarter report presented: Council meeting - 18 April 2023
19	Risk Reporting <i>(6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</i>	<p>A six-monthly report of strategic risks was reported to the Audit & Risk Committee at 1 June 2023 meeting. The updated Risk Management Framework details the requirement for six-monthly reporting on strategic risks.</p> <p>This change will ensure that two reports are provided annually in future years.</p> <p>Date of reports: 1 June 2023</p>

Item No.	Governance and Management Items	Assessment
20	Performance Reporting <i>(6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)</i>	<p>Quarterly Performance Reports presented to council in accordance with section 98 of the Act.</p> <p>Dates reports presented:</p> <ul style="list-style-type: none"> 2021/22 First Quarter report presented: Council meeting - 16 August 2022 2021/22 Second Quarter report presented: Council meeting - 18 October 2022 2021/22 Third Quarter report presented: Council meeting - 7 February 2023 2021/22 Fourth Quarter report presented: Council meeting - 18 April 2023
21	Annual Report <i>(Annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)</i>	<p>Not presented at a meeting of the Council in accordance with sections 98 and 99 of the Act</p> <p>Reason for not presenting annual report:</p> <p>Council approved in principle draft 2021-2022 Financial Report and Performance Statement at Council meeting held 4 October 2022. Subsequently the Victorian Auditor General's Office (VAGO) requested late changes be made to both documents.</p> <p>This resulted in amended documents having to be approved in principle by Council at the 15 November 2022 meeting, just outside of the legislative requirement for considering the Annual Report within four months of the end of financial year.</p> <p>Council's 2021-2022 Annual Report has been prepared in accordance with the Local Government Act 2020, the Local Government (Governance and Integrity) Regulations 2020 and the Local Government (Planning and Reporting) Regulations 2020.</p>

Item No.	Governance and Management Items	Assessment
22	Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	The Councillor Code of Conduct was reviewed in accordance with section 139 of the Act. Date of review and adoption: 16 February 2021
23	Delegations (Documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Delegations have been reviewed by Council in accordance with section 11 (7) of the Act and a register kept in accordance with sections 11 (8) and 47 (7) of the Act. The instruments and date of reviews are as follows: <ul style="list-style-type: none"> • S5 Instrument of Delegation to Chief Executive Officer - 07/03/20023 • S6 Instrument of Delegation to Members of Council Staff - 07/03/2023 • S7 Instrument of Sub-Delegation by Chief Executive Officer (including financial delegations) - 16/03/2013 • S13 Instrument of Delegation of Chief Executive Officer Powers, Duties and Functions - 20/09/2022 • S14 Instrument of Delegation by Chief Executive Officer to Staff (Vicsmart) - 20/09/2022 • S16 Instrument of Delegation by Chief Executive Officer for Bushfire Reconstruction - 20/09/2022
24	Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	The Governance Rules (the Rules) were adopted in accordance with section 60 of the Act Date of adoption: 2 August 2022

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



David Morcom
Chief Executive Officer
Dated: 27 September 2023



Cr Ian Bye
Mayor
Dated: 27 September 2023

6.4 Statutory Information

Documents Available for Public Inspection

The Public Transparency Policy is a requirement of section 57 of the *Local Government Act 2020* and has been developed to ensure Wellington Shire Council gives effect to the public transparency principles outlined in the Act.

Under this policy, Council is committed to the principles of public transparency and commits to making all Council information publicly available, except where the information is 'confidential information' as defined under section 3(1) of the Act, unless Council has determined by resolution that the information should be made publicly available, confidential by virtue of any other Act or such that making it publicly available, would be contrary to the public interest.

Under the Act (and, in some cases, the *Local Government Act 1989*), there are specific provisions for certain information to be made publicly available, namely:

- Council and Delegated Committee Meeting Agendas and Minutes
- Local Laws and any documents incorporated
- Council Plan
- Strategic Resource Plan
- Budget
- Annual Report
- Councillor Code of Conduct
- Procurement Policy
- Register of Interests
- Council Policies
- Summary of Election Campaign Donation Returns
- Personal Interests Returns of Councillors and Nominated Officers.

Council will also make the following Council information available on request to ensure the community are informed and can benefit from access to information regarding Council’s functions and operations:

- Authorised Officers
- Delegations
- List of all Leases
- List of Donations and Grants
- Travel Register
- Details of Chief Executive Officer reappointment and total remuneration.

Under various other Acts administered by Council, the following information will be made publicly available:

- Subject to the specified requirements of the *Planning and Environment Act 1987*, the following may be inspected (note that charges may apply):
 - Approved Planning Scheme Amendments
 - Panel Reports
 - Planning Permits/Applications
 - Submissions/objections
 - Planning Register
 - Planning Scheme
- Register of Building Permits and Occupancy Permits
- Copies of Building Permits, plans and documentation (by application from the property owner or persons authorised by the property owner only, charges will apply)
- Register of Animal Registrations
- Register of Public Roads
- Freedom of Information Part II Statement

Child Safe Standards

Wellington Shire Council is committed to child safety, and takes a proactive approach towards child safety, and has a zero-tolerance towards child abuse. A child safe organisation fosters and demonstrates openness, which creates a culture in which staff, volunteers, community members, parents, children and young people feel empowered and supported to safely disclose child safety or wellbeing concerns should they arise.

Following changes to the Victorian Child Safe Standards, a review of existing child safe policies and processes was undertaken. The proposed public-facing Child Safe policy was made available for community consultation in March 2023, with the final version adopted by Council in April 2023.

While only some roles require Working with Children Checks, the changes highlight the need for a holistic approach to ensuring the safety of young people in all the environments they interact with Council and Council facilities. This is in addition to considering cultural safety, the diverse backgrounds and needs of young people in our community, and safety in online environments. The safety of our youngest community members is everyone's responsibility.



Image: Briagolong Uniting Early Learning

Community Engagement

Wellington Shire Council is committed to conducting genuine and effective community engagement. Council continues to embed, and is guided by, the current Community Engagement Strategy and Community Engagement Policy and remains committed to the objectives:

- Strengthen representation in decision making
- Ensure the community understands how, when, and why they can expect Council staff to engage with them on issues of importance to them.
- Ensure all staff understand and can deliver on the commitment by Council to involve the public in the decision-making process about issues that affect them.
- Ensure all staff operate under the same set of guiding principles thereby bringing consistency and understanding to any community engagement process.

The 'Your Wellington Your Say' function continues to be a strong engagement tool that is used across council. This tool ensures Council is fulfilling its commitment to continue to build strong relationships with the community and ensure the decisions Council makes reflect the desires of Wellington Shire residents.



Carers Recognition

Wellington Shire Council formally recognises and values the role of carers and the importance of care relationships in the Victorian community. The *Carers Recognition Act 2012* defines a carer as someone who provides care to another person and includes carers under the age of 18.

Carers can provide care for a person who:

- Has a disability
- Has a mental illness
- Has an ongoing medical condition
- Is an older person with care needs.

After completion of the Carer Friendly Council Training, Wellington Shire Council is now recognised as a 'Carer Friendly' place. Council also supports carers through the projects listed in our Municipal Public Health and Wellbeing Plan specifically the mental health priority areas.

Contracts

Under the *Local Government Act 2020*, there are no pre-specified financial thresholds above which council must seek tenders. Council has specified its own threshold of \$250,000 within its Procurement Policy.

Council's Procurement Policy specifies the principles and processes applying to the procurement of goods, services and works and promotes open and fair competition to provide value for money for council.

In accordance with the Procurement Policy, council did not enter into any contracts valued above \$250,000 for goods, services or works without engaging in a competitive process.

Disability Action Plan

The *Disability Act 2006* aims to reaffirm and strengthen the rights and responsibilities of people with a disability, which includes recognising the role that government and community support plays in achieving this.

In accordance with section 38 of the *Disability Act 2006*, as Council has prepared a Disability Action Plan it must report on the implementation of the Disability Action Plan in its annual report.

At the end of 2022 Wellington Shire Council's 'Wellington Access and Inclusion Plan 2017 – 2022' concluded. Council has commenced reviewing this plan, with the intention of formally adopting a new plan in the second half of 2023.

In 2023, the Wellington Disability Advisory Committee (WDAC) was established with the aim to provide diverse representation of people living with or caring for someone with a disability in Wellington Shire. WDAC, in partnership with Council, will help inform the focus for the new Disability Action Plan and Inclusion Framework.

Domestic Animal Management Plan

An annual review of the 2021-2025 Domestic Animal Management Plan was conducted in December 2022.

Two major projects have been completed:

- Introduction of a 24 hour cat curfew throughout the Shire; and
- Letting the contract for the management of Council's pound and animal shelter, with the successful tenderer being Victorian Animal Aid Trust.

The annual review also highlighted the following actions throughout the past twelve months:

- A determined effort to increase animal registrations after a noticeable decline during the COVID-19 pandemic (from 7,243 to 10,952);
- 1090 domestic animal requests received, with an average initial response time of 1.08 days;
- 630 domestic animals received at Council's pound and animal shelter. 507 (80%) were either reunited with their owners, or successfully rehomed;
- All registered domestic animal businesses inspected to ensure compliance with relevant codes of practice;
- 9 Serious dog attack incidents successfully prosecuted in the Magistrates' Court.



Image: Wellington Shire Council – Domestic Animal Management Plan 2021 - 2025

Freedom of Information

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

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

Requests for access to documents under the *Freedom of Information Act 1982* must be in writing, clearly describe the documents to which access is requested and include the applicable application fee (\$30.60 - 2022/2023), unless entitled to fee waiver. Access charges are also payable under the *Freedom of Information Act 1982* prior to the release of documents processed under Freedom of Information (FOI). These are charges for search time, providing supervision of inspection of documents and or photocopying charges, where applicable.

Council encourages applicants to log onto their website www.wellington.vic.gov.au prior to lodging a FOI request to view publicly available documents, the Freedom of Information (FOI) Part II Statement or to contact the Freedom of Information Officer by phoning 03 5142 3057. By contacting the FOI Officer, applicants can discuss their request and assistance may be provided to enable clear descriptions and timeframes for which the requested documents relate, and/or provided details on how the documents can be obtained outside of the *Freedom of Information Act 1982*.

Council's Freedom of Information Part II Statement is a document, required under Section 7 of the *Freedom of Information Act 1982*, which describes Council's powers and functions, the documents and information maintained by Council and the ways in which people can view or access copies.

Wellington Shire Council's Freedom of Information Policy is also published on Council's website www.wellington.vic.gov.au. The Office of the Victorian Information Commissioner (OVIC) website www.ovic.vic.gov.au also includes information for individuals on how to make an FOI request, how to request an amendment, exempt documents and more.

FOI requests can be addressed to Freedom of Information Officer, Wellington Shire Council, PO Box 506, SALE VIC 3850, or emailed to foi@wellington.vic.gov.au

Ms Denise Teo, Coordinator Information Management Services, is authorised under Section 26(1) of the *Freedom of Information Act 1982* to make decisions in respect of Freedom of Information requests made to Wellington Shire Council. The Principal Officer of Council is Mr David Morcom, Chief Executive Officer.

From 1 July 2022 to 30 June 2023, Wellington Shire Council received twenty two (22) Freedom of Information requests.

Summary of FOI requests	
New requests	22
Access granted in full	10
Access granted in part	3
Requests not finalised at the end of the reporting period	5
Withdrawn	3
Requests processed outside of the <i>Freedom of Information Act 1982</i>	1
Requests – no documents existed	0
Others: not processed, not proceeded with (request never clarified)	1
Application fees collected	\$489.60
Access charges collected	\$430.12
Access charges not paid (processed documents not collected)	Nil
Freedom of Information requests transferred to another agency to whom the requested documents relate	Nil
Summary of FOI Appeals	
Complaints lodged with the Office of the Victorian Information Commissioner (OVIC) and investigated	0
Applications for review of FOI decision to the Office of the Victorian Information Commissioner (OVIC)	0
Application to the Victorian Civil and Administrative Tribunal (VCAT)	0
Notices served on the agency under Section 12(1)	0
Disciplinary action taken out against any officer in respect of the administration of the <i>Freedom of Information Act 1982</i> .	0
Outcomes of requests outstanding from previous reporting period	N/A

Privacy and Data Protection

The *Privacy and Data Protection Act 2014* applies to Victorian government departments, Ministers, local councils, statutory offices, government schools, universities, and TAFEs. The *Privacy and Data Protection Act 2014* also applies to contracted service providers in the private sector and not-for-profit organisations when they handle personal information on behalf of a Victorian public sector organisation.

Wellington Shire Council is committed to protecting the privacy of individuals and the responsible and fair handling of personal information, consistent with the requirements of the *Privacy and Data Protection Act 2014* and the requirements of the *Health Records Act 2001* (Vic).

In keeping with the *Privacy and Data Protection Act 2014*, Council will only collect personal information where it is necessary to perform Council functions or when required by law. Wellington Shire Council protects personal information from misuse, loss, inappropriate access and disclosure in accordance with the requirements of the ten Information Privacy Principles of the *Privacy and Data Protection Act 2014*.

In Victoria, individuals also have the right to know why their information is being collected, how an organisation handles their personal information and to which third parties their information may be disclosed. Council uses Privacy Collection Statements on forms and documents to inform individuals why they are collecting personal affairs information and how it will or may be used.

On-line training courses and information bulletins are regularly communicated within our agency to assist staff, contractors, Councillors, volunteers and agency staff to understand their information privacy obligations under the *Privacy and Data Protection Act 2014*.

Wellington Shire Council's Privacy and Data Protection Policy is available on Council's website www.wellington.vic.gov.au

Individuals also have the right to make a privacy complaint if they have concerns about how an organisation has handled their personal information. If an individual believes that Council has breached their privacy rights, they should first make a complaint to Wellington Shire Council's Privacy Officer to try to resolve the issue. If they are not satisfied with the way Council deals with their concerns, they can then make a complaint to the Office of the Victorian Information Commissioner (OVIC) who will attempt to resolve the matter.

Detailed information on the requirements of the *Privacy and Data Protection Act 2014* including the privacy complaints process is available on the OVIC website www.ovic.vic.gov.au

Council is readily available to assist with general privacy enquiries and privacy concerns which can be made to Council's Privacy Officer by phoning 03 5142 3057 or by emailing enquiries@wellington.vic.gov.au

Protected Disclosure Procedures

The Protected Disclosure Policy for Council was developed pursuant to section 58 of the *Public Interest Disclosures Act 2012*. The policy was most recently adopted by Council at the meeting of 20 December 2022. Protected disclosures provide protections for people who make disclosures about improper conduct in the public sector, including Wellington Shire Council, its staff, employees and Councillors. Procedures for anyone wanting to make a disclosure are available publicly on our website at <https://www.wellington.vic.gov.au/council/public-interest-disclosures-process>

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. No such Ministerial Directions were received by council during the financial year.

Road Management Act Ministerial Direction

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

Infrastructure and Development Contributions

Council has no Development Contribution Plan Overlays in the Wellington Planning Scheme and hence there are no such reports in 2022/23.

7.0 Other Organisational Information

Citizenship

During 2022/23 Wellington Shire Council conducted four Citizenship ceremonies, including one on Australia Day 2023 and another in July and September 2022 and April 2023. This added up to 108 new citizens, from over 20 different countries into our community including, China, Belgium, New Zealand, The Philippines, Nigeria and many more.



Image: Australia Day Citizenship Ceremony 26 January 2023 - Sale

Civic Receptions

The new Professionals and Australia Day Lunch events were postponed this year due to lack of nominees but Councillors decided to look at celebrating the many volunteers in Wellington Shire instead. This led to 3 events being held in Yarram, Maffra and Sale for National Volunteer Week in May 2023 with attendance of about 50 volunteers to each event from across various volunteer organisations across the Shire.



Image: National Volunteer Week - Sale



Image: National Volunteer Week - Maffra



Image: National Volunteer Week - Yarram

Arts & Culture Services

Gippsland Art Gallery

The Gippsland Art Gallery welcomed 36,111 visitors during 2022/23, the second highest total since the Gallery opened in 1965, only behind 2021/22 when the Archibald Prize was hosted with 48,475 visitors.

Our volunteer program continues to go from strength to strength, with over thirty regular volunteers now assisting with the education program as volunteer guides. Volunteers also assist as gallery attendants to provide a warm welcome to visitors on entry.

Three boards and committees serve the Gippsland Art Gallery, with all sitting members assisting in a voluntary capacity:

- Gippsland Art Gallery Advisory Group
- Friends of the Gallery Committee
- Gippsland Art Gallery Foundation Board of Trustees.

The professional exhibition program presented a total of 46 exhibitions, including five community access exhibitions and 12 children's exhibitions.

Highlights of the professional program included the first in a new biennial series, *Fragile Earth*, which in the years to come will explore various aspects of the climate change emergency through curated thematic exhibitions.

First Nations engagement in 2022/23 has been significant, with solo exhibitions of works by Richard Young and Dr Aunty Eileen Harrison held in July, and the launch of a new dedicated space for First Nations artists living and working on Gunaikurnai Country, the Borun & Tuk Gallery.

We presented 142 public programs in 2022/23, which attracted a total of 6,226 participants.

Highlights included the NAIDOC Week celebrations in July, the Fragile Earth Symposium, the VCE Accessing Art Seminar, three popular craft markets, regular school holiday programs, and the weekly 'Baby on Board' and 'Origami Friday' sessions.

2022/23 also marked the return of the successful Gallery Summer School, which operated through the 1980s and 1990s. In January 2023, thirteen participants spent a week at a residential camp at Lake Glenmaggie with two 'plein air' painting tutors, with artworks subsequently exhibited.

In March 2023 the Gippsland Art Gallery held a well-attended talk presented by Dr Gerard Vaughan AM, a former Director of the National Gallery of Australia and National Gallery of Victoria to Gallery Donors.

During 2022/23 the Gippsland Art Gallery Foundation received eight new donations valued at \$78,456, including a donation of \$50,000 from Metal Manufacturers Pty Ltd to assist with major exhibitions and programming.

The Friends of the Gallery closed the financial year with 247 members and an income of \$11,178.60 through membership fees, fundraising initiatives, such as the NGV Melbourne Winter Masterpieces dinner held at Duart Homestead on 21 June 2023 and eight donations totalling \$810.

119 new artworks were acquired for our permanent collection, of these, 95 artworks were either directly donated, or purchased with donated funds. The value of donated artworks is approximately \$480,000.

Highlights among the new acquisitions include *Thorny Devil Lizard Dreaming* (1997) by Kathleen Petyarre, donated by John & Christine Collingwood; *The First and Second Gippsland Paintings* (1976) by John Wolseley, donated by the artist; and three major works by Annemieke Mein OAM, purchased with the assistance of the John Leslie Foundation.

Our collection has continued to benefit from study and discussion in scholarly articles published in the Gippsland Art Gallery's magazine *Gallery News*, revealing its depths and value to the community. Our collection also continues to inform education programs and provides the foundation for exhibition programs.

The Wedge Performing Arts Centre

The Wedge Performing Arts Centre is a contemporary hub for performing arts and entertainment complete with The John Leslie Theatre seating 396, a 50 seat studio space known as The Wedge Studio and the newly renovated Shirley's Café and Bar where you can enjoy a coffee or a bite to eat.

This multi-award winning venue hosted 107 performances over 78 events attracting 20,652 patrons during 2022/23.



Image: The Wedge Performing Arts Centre - Sale

Grants Received for Projects

Wellington Shire Council were successful in securing over 30 grants through various State and Commonwealth funding streams including:

- Department of Industry, Science, Energy and Resources
- Department of Families, Fairness and Housing
- Department of Transport and Planning
- Department of Education and Training
- Vic Health
- Department of Jobs, Precincts and Regions (Local Government Emergencies)
- Department of Jobs, Skills, Industry and Regions (Creative Victoria)
- Department of Environment, Land, Water and Planning
- Country Fire Authority
- Bushfire Recovery Victoria
- Department of Energy, Environment and Climate Action

Grants Distributed

Wellington Shire Council distributed in excess of \$350,000 in grants to various organisations and individuals throughout the community in 2022/23 as follows:

- 49 organisations received Community Assistance Grants totalling \$252,186
- 42 organisations received Quick Response Grants totalling \$91,774
- 8 individuals / teams received Individual / Team Sponsorship totalling \$5,000
- 4 organisations received Energy Audit Rebates totalling \$2,000

Comprehensive details are available by visiting the Wellington Shire Council website www.wellington.vic.gov.au

Section: Two

Performance Statement



Ninety Mile Beach

Description of municipality

Wellington Shire is the third largest municipality in Victoria, covering an area of 11,000 square kilometres and has an estimated population of 45,754 people. The Shire offers a mix of rural and urban living boasting a range of beautiful environments to explore, with its pristine beaches, picturesque mountain ranges, temperate rainforests and wetlands.

The Shire was formed in 1994 after the amalgamation of the Shire of Alberton, the Shire of Avon, the Shire of Maffra, the City of Sale and parts of the Shire of Rosedale.

Wellington's main industries and businesses contributing to the local economy include 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 aerobatic team.

Sustainable Capacity Indicators

For the year ended 30 June 2023

INDICATOR / measure / [formula]	Results				Comment
	2020	2021	2022	2023	
POPULATION	44,380	44,770	45,092	45,754	
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,972.43	\$2,273.35	\$2,287.72	\$2,388.91	Expenses have increased due to higher employee costs as FTE numbers have increased in order to resource new projects and programs. In addition, the new EBA commenced in November 2022. Depreciation has increased significantly due to the annual Capital Works program as well as the revaluation of assets in 2022 valued at \$99.1M.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$19,564.57	\$19,847.60	\$21,028.52	\$25,883.27	The construction costs of materials and market price of buildings and structures throughout the shire have had a significant impact on the replacement costs of infrastructure assets which has resulted in revaluations increasing the value of assets by \$204.1M.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	14.25	14.37	14.48	14.69	There are 3,114km of sealed and unsealed local roads for an estimated municipal population of 45,754 within Wellington Shire.

Sustainable Capacity Indicators

For the year ended 30 June 2023

INDICATOR / measure / [formula]	Results				Comment
	2020	2021	2022	2023	
OWN-SOURCE REVENUE					
Own-source revenue per head of municipal population					Rates have increased in line with the Fair Go Rate Cap. Waste Charges have increased in line with cost recovery models.
[Own-source revenue / Municipal population]	\$1,681.68	\$1,673.20	\$1,742.26	\$1,860.82	
RECURRENT GRANTS					
Recurrent grants per head of municipal population					Recurrent Grants have decreased as Roads to Recovery funds for 2022/23 were utilised in 2021/22. This is largely offset by increased Grants Commission funding as the advance received from the Commission increased from 75% to 100%.
[Recurrent grants / Municipal population]	\$449.57	\$467.99	\$525.50	\$519.80	
DISADVANTAGE					
Relative Socio-Economic Disadvantage					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 three within Victoria.
[Index of Relative Socio-Economic Disadvantage by decile]	4.00	4.00	4.00	3.00	

Sustainable Capacity Indicators

For the year ended 30 June 2023

INDICATOR / measure / [formula]	Results				Comment
	2020	2021	2022	2023	
WORKFORCE TURNOVER					
Percentage of staff turnover					Staff turnover for the period has remained stable and reflects a number of staff reaching retirement age, and other long-term staff finding new challenges and opportunities elsewhere. These movements have created new opportunities across the business for emerging leaders and growing skill sets.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	10.15%	8.87%	15.11%	14.33%	

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 2023

SERVICE / <i>indicator</i> / <i>measure</i> / [formula]	Results				Comment
	2020	2021	2022	2023	
AQUATIC FACILITIES					
<i>Utilisation</i>					
<i>Utilisation of aquatic facilities</i>	4.20	3.57	3.70	5.15	The combined number of visits recorded at Wellington Shire Council's indoor and outdoor aquatic facilities during 2022/23 was 235,569.
[Number of visits to aquatic facilities / Municipal population]					This equates to an average of 5.15 aquatic facility visits per Wellington Shire resident for the year.
ANIMAL MANAGEMENT					
<i>Health and safety</i>					
<i>Animal management prosecutions</i>					9 successful animal management prosecutions were finalised during the 2022-23 financial year.
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100.00%	100.00%	100.00%	100.00%	Prosecutions included serious dog attacks, unregistered breeders and prevention of cruelty to animal matters.

Service Performance Indicators

For the year ended 30 June 2023

SERVICE / <i>indicator</i> /measure / [formula]	Results				Comment
	2020	2021	2022	2023	
FOOD SAFETY					
<i>Health and safety</i>					
<i>Critical and major non-compliance outcome notifications</i>					
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100.00%	96.15%	100.00%	100.00%	For the 2022 calendar year, there were 27 non-compliance notifications. All 27 food premises received one or more follow up inspections to ensure compliance with the Food Act 1984.
GOVERNANCE					
<i>Satisfaction</i>					
<i>Satisfaction with council decisions</i>					
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	58	61	59	54	The satisfaction score for Council decision making as measured by the 2023 Local Government Community Satisfaction Survey resulted in a decline of five points compared to last year. Council notes there was also a decline in the large rural and state-wide averages. However, the result for Wellington Shire Council remains six points higher than the large rural average and three points higher compared to state-wide average.

Service Performance Indicators

For the year ended 30 June 2023

SERVICE / <i>indicator</i> /measure / [formula]	Results				Comment
	2020	2021	2022	2023	
LIBRARIES					
<i>Participation</i>					
Active library borrowers in municipality					The effects of COVID-19 closures and restrictions are still being felt in terms of membership. While active library borrowers have decreased, new members have increased by 12% in the last financial year.
[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	13.35%	12.02%	10.68%	9.94%	We are seeing a 20% increase in visits to the library, computer and Wi-Fi usage which could indicate that a large proportion of library users may not be borrowing members.
MATERNAL AND CHILD HEALTH (MCH)					
<i>Participation</i>					
Participation in the MCH service					The Wellington Shire Council is not directly responsible for the delivery of Maternal and Child Health Services, so there is no performance data available for these indicators.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	0.00%	0.00%	0.00%	0.00%	

Service Performance Indicators

For the year ended 30 June 2023

Service/ <i>indicator</i> /measure [formula]	Results				Comment
	2020	2021	2022	2023	
Participation					
Participation in the MCH service by Aboriginal children	0.00%	0.00%	0.00%	0.00%	The Wellington Shire Council is not directly responsible for the delivery of Maternal and Child Health Services, so there is no performance data available for these indicators.
[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					
ROADS					
Satisfaction					
Satisfaction with sealed local roads	59	65	54	50	Results from the 2023 Community Satisfaction Survey shows a decrease from the previous year’s satisfaction rating for sealed local roads. This result is 10 points higher than average for similar large rural Councils. Similar to the previous year, this continued decrease in satisfaction could be attributed to roads which are in poor condition due to the ongoing wet weather over the last few years. Wellington Shire’s maintenance teams have continued to undertake large-scale repair and patching works to ensure the roads remain usable and are in line with Council’s Road Management Plan.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					

Service Performance Indicators

For the year ended 30 June 2023

Service/ <i>indicator</i> /measure [formula]	Results				Comment
	2020	2021	2022	2023	
STATUTORY PLANNING					
<i>Decision making</i>					
Council planning decisions upheld at VCAT					Council effectively consults with permit applicants and objectors prior to making planning decisions to limit the need for VCAT hearings.
[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	100.00%	100.00%	0.00%	0.00%	In 2022/23 only two reviews were sought at VCAT, one of which was resolved via consent order and the other Council decision being set aside by VCAT.

Service Performance Indicators

For the year ended 30 June 2023

Service/ <i>indicator</i> /measure [formula]	Results				Comment
	2020	2021	2022	2023	
WASTE COLLECTION					
<i>Waste diversion</i>					
<i>Kerbside collection waste diverted from landfill</i>					More than 3,500 tonnes of recyclable material were diverted from landfill in 2022/23. That's an average of 178kg of recyclables per collection household in Wellington Shire. In 2021/22, an average of 134kg per collection household was reported the revised correct average is 196kg.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	35.26%	31.45%	33.51%	32.17%	In 2022/23, households have recycled 18kg less on average per household, compared to households in 2021/22. Council is working towards the future implementation of a Food and Garden Organics collection which will divert additional waste from landfill.

Service Performance Indicators

For the year ended 30 June 2023

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 borrower" 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 section 98 of the Act

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

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

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

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

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

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

"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

Financial Performance Indicators

For the year ended 30 June 2023

Dimension / <i>indicator</i> /measure	Results					Forecasts			Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
EFFICIENCY									

Financial Performance Indicators

For the year ended 30 June 2023

Dimension / <i>indicator</i> / <i>measure</i>	Results					Forecasts			Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
LIQUIDITY									
									Current Assets have increased due to a higher cash balance at year end.
<i>Working capital</i>									This is due to the advanced receipt of the Victorian Grants Commission and delayed Capital Works Expenditure, such as the delayed Aqua Energy Project, which will now commence in 2023/24.
<i>Current assets compared to current liabilities</i>	441.28%	290.53%	324.89%	470.82%	355.10%	327.54%	308.23%	317.44%	
[Current assets / Current liabilities] x100									Current Liabilities have decreased as unearned revenue is significantly lower than at 30 June 2022.

Financial Performance Indicators

For the year ended 30 June 2023

Dimension / <i>indicator</i> / <i>measure</i>	Results					Forecasts			Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
LIQUIDITY									
Unrestricted cash									
Unrestricted cash compared to current liabilities	118.37%	14.40%	56.16%	21.01%	111.08%	86.36%	69.57%	74.38%	Unrestricted Cash has decreased as there is a higher percentage of cash in financial assets instead of maintaining a high cash and cash equivalents balance.
[Unrestricted cash / Current liabilities] x100									
OBLIGATIONS									
Loans and borrowings									
Loans and borrowings compared to rates	2.08%	1.62%	1.13%	0.67%	10.65%	23.35%	26.04%	25.41%	In 2022/23 debt was reduced to insignificant amounts as planned borrowings were put on hold. Debt levels will increase over the next few years to fund infrastructure projects.
[Interest bearing loans and borrowings / Rate revenue] x100									

Financial Performance Indicators

For the year ended 30 June 2023

Dimension / <i>indicator</i> / <i>measure</i>	Results					Forecasts			Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
OBLIGATIONS									
<i>Loans and borrowings</i>									
<i>Loans and borrowings repayments compared to rates</i>	9.89%	0.60%	0.55%	0.50%	0.27%	1.50%	3.03%	3.57%	In 2022/23 debt was reduced to insignificant amounts as planned borrowings were put on hold. Debt levels will increase over the next few years to fund infrastructure projects.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100									
<i>Indebtedness</i>									
<i>Non-current liabilities compared to own source revenue</i>	21.48%	19.34%	22.00%	21.03%	22.08%	30.80%	30.06%	28.69%	Debt has steadily decreased as current loans are repaid; debt is budgeted to increase over the next few years as Council plans to fund major infrastructure projects. Rates are expected to maintain a steady increase at the Rate Cap percentage.
[Non-current liabilities / Own source revenue] x100									

Financial Performance Indicators

For the year ended 30 June 2023

Dimension / <i>indicator</i> / <i>measure</i>	Results					Forecasts			Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
OBLIGATIONS									
<i>Asset renewal and upgrade</i>									Depreciation has increased significantly due to the annual Capital Works program as well as the revaluation of assets in 2022 valued at \$99.1M.
<i>Asset renewal and upgrade compared to depreciation</i>	119.13%	134.72%	111.67%	97.10%	111.19%	130.12%	119.08%	112.17%	In addition, several upgrade renewal projects did not progress as much as expected due to delays in supply, retendering projects or delays in contractor availability.
[Asset renewal and asset upgrade expense / Asset depreciation] x100									

Financial Performance Indicators

For the year ended 30 June 2023

Dimension / <i>indicator</i> / <i>measure</i>	Results					Forecasts			Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
OPERATING POSITION									
<i>Adjusted underlying result</i>									The adjusted underlying surplus is a significant increase due to the \$17.1M Victorian Grants Commission Advance received in 2022/23. This will be used to fund operational activities in 2023/24.
<i>Adjusted underlying surplus (or deficit)</i>	12.14%	0.33%	6.10%	8.66%	-0.15%	0.18%	0.79%	1.26%	High cash balances and inflated interest rates have seen interest on investments increase by \$3.3M over 2021/22.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									Interest in the following years is expected to reduce as cash is spent on the long term Capital Works program.

Financial Performance Indicators

For the year ended 30 June 2023

Dimension / <i>indicator</i> / <i>measure</i>	Results					Forecasts			Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
OPERATING POSITION									
Stability									
Rates concentration									The increase in the adjusted underlying surplus due to the \$17.1M Victorian Grants Commission Advance has increased the proportion of grant income to rates received in 2022/23.
Rates compared to adjusted underlying revenue	63.39%	62.16%	59.25%	55.91%	62.89%	63.94%	64.76%	64.54%	
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
Rates compared to property values	0.55%	0.52%	0.40%	0.41%	0.37%	0.37%	0.37%	0.38%	Property values have had significant increases in 2022/23 but will be balanced by a reduction in the rate in the dollar in order to maintain the Fair Go Rates cap. Rates have increased in line with the Fair Go Rates Cap. Property Values have increased by the annual rates revaluation.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

Financial Performance Indicators

For the year ended 30 June 2023

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 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 2023

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 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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 2023/24 Council Budget and Financial Plan 2021/22 to 2030/31. The *Local Government (Planning and Reporting) Regulations 2020* 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 2023/24 Council Budget on 20 June 2023 and which forms part of the Council Plan 2021-25. The budget 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 2023/24 Council Budget and Financial Plan 2021/22 to 2030/31 can be obtained by visiting the Wellington Shire Council website www.wellington.vic.gov.au

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.



Ian Carroll CPA

Principal Accounting Officer

Dated: 27 September 2023

In our opinion, the accompanying performance statement of the Wellington Shire Council for the year ended 30 June 2023 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

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 2020 to certify this performance statement in its final form.



Cr Garry Stephens

Councillor

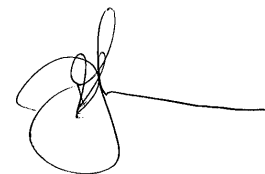
Dated: 27 September 2023



Cr Gayle Maher

Councillor

Dated: 27 September 2023



David Morcom

Chief Executive Officer

Dated: 27 September 2023

Independent Auditor's Report

To the Councillors of Wellington Shire Council

Opinion	<p>I have audited the accompanying performance statement of Wellington Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2023• sustainable capacity indicators for the year ended 30 June 2023• service performance indicators for the year ended 30 June 2023• financial performance indicators for the year ended 30 June 2023• other information and• certification of the performance statement. <p>In my opinion, the performance statement of Wellington Shire Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

**Auditor's
responsibilities
for the audit of
the performance
statement**

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

- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
5 October 2023



Travis Derricott
as delegate for the Auditor-General of Victoria



Wellington Shire Council

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2023

Wellington Shire Council

Financial Report

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Wellington Shire Council

Financial Report

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Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Ian Carroll (CPA)
Principal Accounting Officer
Dated : 27 September 2023
Sale

In our opinion, the accompanying financial statements present fairly the financial transactions of the Wellington Shire Council for the year ended 30 June 2023 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances that 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 2020* to certify the financial statements in their final form.



Garry Stephens
Councillor
Dated : 27 September 2023
Sale



Gayle Maher
Councillor
Dated : 27 September 2023
Sale



David Morcom
Chief Executive Officer
Dated : 27 September 2023
Sale

Independent Auditor's Report

To the Councillors of Wellington Shire Council

Opinion	<p>I have audited the financial report of Wellington Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other Information	<p>The Councillors of the council are responsible for the Other Information, which comprises the information in the council's annual report for the period ended 30 June 2023, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>

Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors • conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**Auditor's
responsibilities
for the audit of
the financial
report
(continued)**

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



MELBOURNE
5 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income / Revenue			
Rates and charges	3.1	67,133	66,145
Statutory fees and fines	3.2	1,003	1,170
User fees	3.3	9,106	8,331
Grants - operating	3.4	33,526	27,212
Grants - capital	3.4	9,131	11,249
Contributions - monetary	3.5	841	1,811
Contributions - non monetary	3.5	2,949	4,857
Other income	3.6	7,898	2,916
Total income / revenue		131,587	123,691
Expenses			
Employee costs	4.1	32,385	28,998
Materials and services	4.2	44,455	43,355
Depreciation	4.3	27,391	25,261
Amortisation - intangible assets	4.4	837	920
Amortisation - right of use assets	4.5	410	397
Bad and doubtful debts - allowance for impairment losses	4.6	62	25
Borrowing costs	4.7	48	71
Finance costs - leases	4.8	8	2
Other expenses	4.9	2,372	2,911
Net loss on disposal of property, infrastructure, plant and equipment	4.10	1,334	1,218
Total expenses		109,302	103,158
Surplus/(deficit) for the year		22,285	20,533
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1	202,021	99,102
Total other comprehensive income		202,021	99,102
Total comprehensive result		224,306	119,635

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

Balance Sheet As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	30,860	58,460
Trade and other receivables	5.1	9,637	7,502
Other financial assets	5.1	105,976	72,420
Inventories		70	44
Prepayments		809	641
Total current assets		147,352	139,067
Non-current assets			
Trade and other receivables	5.1	2,853	2,777
Property, infrastructure, plant and equipment	6.1	1,337,105	1,128,541
Right-of-use assets	5.8	57	107
Intangible assets	5.2	2,154	2,913
Total non-current assets		1,342,169	1,134,338
Total assets		1,489,521	1,273,405
Liabilities			
Current liabilities			
Trade and other payables	5.3	9,790	8,698
Trust funds and deposits	5.3	4,024	3,482
Unearned income/revenue	5.3	10,037	19,795
Provisions	5.5	7,115	10,492
Interest-bearing liabilities	5.4	289	289
Lease liabilities	5.8	42	48
Total current liabilities		31,297	42,804
Non-current liabilities			
Provisions	5.5	17,712	16,766
Interest-bearing liabilities	5.4	160	449
Lease liabilities	5.8	29	70
Total non-current liabilities		17,901	17,285
Total liabilities		49,198	60,089
Net assets		1,440,323	1,213,316
Equity			
Accumulated surplus		471,077	445,967
Asset Revaluation Reserve	9.1	956,409	754,388
Other Reserves		12,837	12,961
Total Equity		1,440,323	1,213,316

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

Statement of Changes in Equity For the Year Ended 30 June 2023

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2023					
Balance at beginning of the financial year		1,213,316	445,967	754,388	12,961
Surplus/(deficit) for the year		22,285	22,285	-	-
Net asset revaluation increment/(decrement)	6.1	204,012	-	204,012	-
Found Assets Adjustment directly to equity	6.1	354	354	-	-
Other Adjustment directly to equity	6.1	356	2,347	(1,991)	-
Transfers to other reserves	9.1	-	(3,720)	-	3,720
Transfers from other reserves	9.1	-	3,844	-	(3,844)
		<u>227,007</u>	<u>25,110</u>	<u>202,021</u>	<u>(124)</u>
Balance at end of the financial year		1,440,323	471,077	956,409	12,837

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022					
Balance at beginning of the financial year		1,091,638	424,647	655,286	11,705
Surplus for the year		20,533	20,533	-	-
Revaluation movement	9.1	99,102	-	99,102	-
Found Assets Adjustment directly to equity		998	998	-	-
Other Adjustment directly to equity		1,045	1,045	-	-
Transfers to other reserves	9.1	-	(3,821)	-	3,821
Transfers from other reserves	9.1	-	2,565	-	(2,565)
		<u>121,678</u>	<u>21,320</u>	<u>99,102</u>	<u>1,256</u>
Balance at end of the financial year		1,213,316	445,967	754,388	12,961

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

Statement of Cash Flows For the Year Ended 30 June 2023

	2023 Inflows/ (Outflows) \$'000	2022 Inflows/ (Outflows) \$'000
Note		
Cash flows from operating activities		
Rates and charges	67,048	67,630
Statutory fees and fines	1,003	1,170
User fees	7,645	8,239
Grants - operating	31,878	28,039
Grants - capital	-	16,234
Contributions - monetary	647	673
Interest received	3,812	473
Trust funds and deposits taken	4,018	3,482
Other receipts	1,066	2,172
Goods and Services Tax Collected	1,451	1,020
Goods and Services Tax Refunds from the Australian Tax Office	4,072	5,431
Employee costs	(32,076)	(29,416)
Materials and services	(43,380)	(40,224)
Trust funds and deposits repaid	(3,475)	(4,453)
Other payments	(913)	(2,268)
Goods and Services Tax Paid to Suppliers	(5,076)	(7,437)
Net cash provided by/(used in) operating activities	37,720	50,765
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(32,163)	(37,158)
Proceeds from sale of property, infrastructure, plant and equipment	1,150	1,177
Payments for investments	(191,711)	(112,789)
Proceeds from sale of investments	158,155	107,294
Net cash provided by/(used in) investing activities	(64,569)	(41,476)
Cash flows from financing activities		
Finance costs	(48)	(71)
Repayment of borrowings	(289)	(288)
Interest paid - lease liability	(8)	(2)
Repayment of lease liabilities	(406)	(402)
Net cash provided by/(used in) financing activities	(751)	(763)
Net increase (decrease) in cash and cash equivalents	(27,600)	8,526
Cash and cash equivalents at the beginning of the financial year	58,460	49,934
Cash and cash equivalents at the end of the financial year	30,860	58,460

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

Statement of Capital Works For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Property			
Land		362	370
Land improvements		24	1,038
Total land		386	1,408
Buildings		2,241	7,050
Total buildings		2,241	7,050
Total property		2,627	8,458
Plant and equipment			
Plant, machinery and equipment		3,275	1,786
Fixtures, fittings and furniture		153	392
Computers and telecommunications		300	322
Library books		235	242
Total plant and equipment		3,963	2,742
Infrastructure			
Roads		13,411	11,915
Bridges		1,215	810
Footpaths and cycleways		6,625	4,249
Drainage		165	730
Recreational, leisure and community facilities		434	3,022
Waste management		215	498
Parks, open space and streetscapes		2,056	1,631
Aerodromes		166	318
Off street car parks		313	374
Other infrastructure		1,066	673
Total infrastructure		25,666	24,220
Total capital works expenditure		32,256	35,420
Represented by:			
Asset renewal expenditure		19,138	24,610
Asset upgrade expenditure		7,458	3,599
Asset expansion expenditure		5,428	5,652
New asset expenditure		232	1,559
Total capital works expenditure		32,256	35,420

The above statement of capital works should be read in conjunction with the accompanying notes.

Notes to the Financial Report For the Year Ended 30 June 2023

Note 1 OVERVIEW

Introduction

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

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 2020, and the Local Government (Planning and Reporting) Regulations 2020.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Significant accounting policies

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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.

Notes to the Financial Report For the Year Ended 30 June 2023

Note 1 OVERVIEW cont...

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- other areas requiring judgements.

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.

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

1.2 Impact of COVID-19

During 2022-23 the COVID-19 pandemic continued to impact on Council's operations. Council has noted the following impacts on its financial operations:

- Additional revenue – Grant Funding to the amount of \$0.02M for the Vaccine Ambassadors Program and \$0.02M for the Rapid Antigen Test Distribution Program.
- Additional costs – Additional expenses have been required to facilitate the grant funding received for the Vaccine Ambassadors Program \$0.02M and for the Rapid Antigen Test Distribution Program \$0.02M. An additional \$0.01M was spent on the Vaccine Helper program. Additional minor expenses included increased cleaning and cleaning materials expenses.

Notes to the Financial Report For the Year Ended 30 June 2023

Note 2 ANALYSIS OF OUR RESULTS

2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$750,000 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.

These notes are prepared to meet the requirements of the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

2.1.1 Income / Revenue and expenditure

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	66,480	67,133	653	1%	
Statutory fees and fines	994	1,003	9	1%	
User fees	8,020	9,106	1,086	14%	1
Grants - operating	23,319	33,526	10,207	44%	2
Grants - capital	16,983	9,131	(7,852)	(46%)	3
Contributions - monetary	478	841	363	76%	4
Contributions - non monetary	-	2,949	2,949	100%	5
Other income	3,458	7,898	4,440	128%	6
Total income / revenue	119,732	131,587	11,855	10%	
Expenses					
Employee costs	32,894	32,385	509	2%	
Materials and services	44,777	44,455	322	1%	7
Depreciation	25,273	27,391	(2,118)	(8%)	8
Amortisation - intangible assets	623	837	(214)	(34%)	9
Amortisation - right of use assets	225	410	(185)	(82%)	10
Bad and doubtful debts - allowance for impairment losses	50	62	(12)	(24%)	11
Borrowing costs	60	48	12	20%	12
Finance costs - leases	11	8	3	27%	13
Other expenses	892	2,372	(1,480)	(166%)	14
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	1,431	1,334	97	7%	
Total expenses	106,236	109,302	(3,066)	(3%)	
Surplus/(deficit) for the year	13,496	22,285	8,789	65%	

Notes to the Financial Report For the Year Ended 30 June 2023

Note 2 ANALYSIS OF OUR RESULTS cont...

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees	Income raised from shared services with East Gippsland Shire Council for the year is higher than anticipated by \$0.6M, as the scope of services included has increased. Fees earned from environmental health and animal services registrations/permits were \$0.1M above budget, due to an increase in new registrations.
2	Grants - operating	<p>The advance receipt of 100% of Victorian Grant Commission allocation for 2023/24 of \$17.1M, was received in June 2023. A 50% advance had been budgeted. An additional grant of \$1.8M has been received for York Street (SP Ausnet) Princes Highway improvements: the works for this multi year project were completed back in 2019/20 and 2020/21.</p> <p>Other major grant funding to be received or recognised as of 30 June 2023 includes York Street Works (\$3.3M) and Great Southern Rail Trail Extension (\$1.2M). This is partly offset by the natural disaster funding received for past flood and storm events contributing to \$1.5M. Grants pending for slightly delayed community infrastructure projects such as the Stratford Recreation Reserve Social Room upgrades and Sport and Community Lighting Program are approximately (\$0.5M).</p>
3	Grants - capital	<p>Grants (capital) - Major capital grants yet to be received/claimed include:</p> <ul style="list-style-type: none"> • (\$3.2M) of LRCIP 3 funding budgeted for the Aqua Energy redevelopment has been reallocated to other brought forward capital projects which are expected to be completed by 31 December 2023. • Great Southern Rail Trail Extension (\$1.6M). Works are progressing and will be completed in December 2023. • Sale-Toongabbie Road Reconstruction program work was divided into two sections, with one section being completed in the 2022/23 financial year. The next section to be completed in the 2023/24 financial year (\$1.3M). • Sale CBD Renewal program (\$1.0M). Works completed in June 2023. • Lansdowne St and Macarthur St Roundabout project deferred due to unsuccessful grant application (\$1.0M).
4	Contributions - monetary	This is predominantly represented by external contributions received for public open space future developments, as well as sustainability energy efficiency initiatives.
5	Contributions - non monetary	Contributions - capital (non monetary) - Gifted assets recognised during the year, largely for roads \$1.4M, drainage \$0.9M and footpaths \$0.6M.
6	Other income	Interest on investments earned is above budget by \$3.2M, due to higher rates and a higher than budgeted cash balance. The non cash accounting adjustment of \$2.7M for landfill rehabilitation estimates is a result of changes to the discount rate and slightly lower CPI increases.

Notes to the Financial Report For the Year Ended 30 June 2023

Note 2 ANALYSIS OF OUR RESULTS cont...

Variance Ref	Item	Explanation
7	Materials and services	<p>Underspends in contractors mainly due to delay in completion of several major projects:</p> <ul style="list-style-type: none"> • York Street Works \$1.7M, and for the work already completed in 2022/23 accrual of \$1.5M made for invoices pending.; • Great Southern Rail Trail Extension works \$1.1M are progressing and will be completed in December 2023. <p>\$0.4M - Underspends in consultant payments incurred on planning projects, aerodromes, organisational performance, and governance initiatives.</p> <p>(\$1.4M) - Expenditure associated with rehabilitation of landfills (mainly Kilmany), which were unbudgeted. To be accounted from the landfill provisions set aside for the future rehabilitation of these facilities.</p> <p>(\$0.8M) - Expenses associated with waste management authority fees (EPA landfill levy) were greater than anticipated for the year 2022/23. This was a product of higher rates, and elevated processing charges.</p> <p>(\$0.3M) - Expenditure incurred on regular/annual maintenance for roads infrastructure was higher than budgeted.</p>
8	Depreciation	<p>Overall higher than expected depreciation (non cash) mainly in roads (\$1.1M), recreation and leisure facilities (\$0.6M) and buildings (\$0.2M) offset by lower than expected depreciation for drainage \$0.2M. Depreciation has increased significantly due to the annual Capital Works program as well as the revaluation of assets in 2022 valued at \$99.1M.</p>
9	Amortisation - intangible assets	<p>Amortisation charges for landfill improvements was higher than budgeted for the year by (\$160k) due to increased work on landfill restorations.</p>
10	Amortisation - right of use assets	<p>Amortisation charges incurred for right of use (lease assets) was higher than projected due to a contract extension for waste management vehicles.</p>
11	Bad and doubtful debts	<p>Bad debts written off during 2022/23 were predominantly statutory planning and commercial facility outstanding debtors.</p>
12	Borrowing costs	<p>Loan borrowings budgeted for 2022/23 were not drawn upon.</p>
13	Finance costs -leases	<p>Interest recognised on lease payments was slightly lower than projected.</p>
14	Other expenses	<p>Other expenses represents; assets derecognised (\$1.0M) and written off (\$0.6M) during the financial year.</p>

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 2 ANALYSIS OF OUR RESULTS cont...

2.1.2 Capital works

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	570	362	(208)	(37)	1
Land improvements	-	24	24	-	
Total land	570	386	(184)	(32)	
Buildings	6,564	2,241	(4,323)	(66)	2
Total buildings	6,564	2,241	(4,323)	(66)	
Total property	7,134	2,627	(4,507)	(63)	
Plant, machinery and equipment	2,661	3,275	614	23	3
Fixtures, fittings and furniture	40	153	113	282	4
Computers and telecommunications	400	300	(100)	(25)	5
Library books	264	235	(29)	(11)	
Total plant and equipment	3,365	3,963	598	18	
Infrastructure					
Roads	14,776	13,411	(1,365)	(9)	6
Bridges	1,630	1,215	(415)	(25)	7
Footpaths and cycleways	8,899	6,625	(2,274)	(26)	8
Drainage	680	165	(515)	(76)	9
Recreational, leisure and community facilities	435	434	(1)	(0)	
Waste management	1,380	215	(1,165)	(84)	10
Parks, open space and streetscapes	1,680	2,056	376	22	11
Aerodromes	365	166	(199)	(55)	12
Off street car parks	300	313	13	4	
Other infrastructure	2,415	1,066	(1,349)	(56)	13
Total infrastructure	32,560	25,666	(6,894)	(21)	
Total capital works expenditure	43,059	32,256	(10,803)	(25)	
Represented by:					
New asset expenditure	30	232	202	673	
Asset renewal expenditure	20,281	19,138	(1,143)	(6)	
Asset expansion expenditure	9,719	5,428	(4,291)	(44)	
Asset upgrade expenditure	13,029	7,458	(5,571)	(43)	
Total capital works expenditure	43,059	32,256	(10,803)	(25)	

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 2023

Note 2 ANALYSIS OF OUR RESULTS cont...

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Delays in negotiations for the purchase of the land for Maffra Drainage Strategy Purchase (\$250k), Department of Education Land (\$10k) and Former Police Station (\$10k). This was offset by Aqua Energy Land Redevelopment purchase \$45k.
2	Buildings	The Aqua Energy Redevelopment project (\$4.3M) was postponed waiting for more favourable market conditions and was retendered in June 2023.
3	Plant, machinery and equipment	\$1.3M in new plant purchased for the Kilmany Resource Transfer Station being carried forward from the 2021/22 financial year. This was offset by delays in Fleet purchases due to supply issues.
4	Fixtures, fittings and furniture	Additional art work \$85k purchased after donations were received. Commercial properties purchased unbudgeted furniture and fittings \$27k.
5	Computers and telecommunications	Road Maintenance Services ICT has continued with additional testing before completing the project and rollout in 2023/24 financial year (\$100k). Data Centre Equipment Renewal was completed with savings (\$8k).
6	Roads	Lansdowne Street and Macarthur Street Roundabout project was deferred due to being unsuccessful in receiving grant funding (\$1M). Sale - Toongabbie Road Reconstruction (\$650k) works were delayed due to poor site conditions and will be completed in the 2023/24 financial year. Jamieson - Licola Slip (\$600k) works commenced in June and are on schedule for completion by October 2023. This was offset by Natural Disaster claim works on the Jamieson Licola Road \$1.5M.
7	Bridges	Delta Bridge Strengthening - Briagolong did not receive additional government funding (\$300k). Target Creek Road Culvert contract has been awarded with works to be completed in the 2023/24 financial year (\$200k). This was offset by the following 2021/22 projects which were completed in the 2022/23 financial year, Major Culvert Renewals \$101k and Swing Bridge - Downstream drive unit repairs \$96k.
8	Footpaths and cycleways	Initial works on the multi-year Great Southern Rail Trail (\$3.9M) were delayed while permits and vegetation offsets were obtained with works progressing well and expected to be completed in December 2023.
9	Drainage	Grant funding was successful for the Sale - North East Drainage Development (\$500k) with works expected to be undertaken in 2024 across the two financial years. Drainage minor Capital works (\$100k) will be completed in June 2024
10	Waste Management	The Kilmany Landfill Lechate Pond Evaporation (\$500k) project is on hold while awaiting approval of the design as is the Flare Installation (\$300k). Maffra Resource Recovery Facility is on hold awaiting the finalisation of the purchase of additional land (\$500k). These have been partially offset by Heyfield Recycling Facility \$97k, Kilmany Landfill boundary fence \$34k and minor unbudgeted waste purchases \$26k.
11	Parks, open space and streetscapes	Hobsons Road Reserve Longford was completed with savings of (\$103k). The Contract for the Alberton to Port Albert Trail works came in over budget by \$282k. The 2021/22 works on the Shelter and BBQ renewal program; \$43k; were completed in 2022/23 financial year. Additional unbudgeted funds were spent on the Sale Botanic Gardens \$36k, Stratford Youth Precinct \$35k, and Seaspray Pump track \$19k.
12	Aerodromes	Yarram Aerodrome Landside Facilities project was delayed due to scoping issues (\$180k) and the Yarram Aerodrome Eastern Hangar Development is on hold pending confirmation of intending lessees (\$80k).
13	Other infrastructure	Port of Sale Mooring Access Project was on hold confirming scope and will be completed by December 2023 (\$1.3M).

Notes to the Financial Report For the Year Ended 30 June 2023

Note 2 ANALYSIS OF OUR RESULTS cont...

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1

Built & Natural Environment

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

Chief Executive Officer

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

Community and Culture

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

Corporate Services

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

Development

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

2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Built & Natural Environment	39,043	71,440	(32,397)	24,559	1,324,225
Chief Executive Officer	3	1,543	(1,540)	-	-
Community and Culture	5,897	15,470	(9,573)	2,719	13,014
Corporate Services	81,767	11,644	70,123	14,249	152,282
Development	4,877	9,205	(4,328)	1,130	-
	131,587	109,302	22,285	42,657	1,489,521

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Built & Natural Environment	34,779	68,152	(33,373)	18,007	1,116,473
Chief Executive Officer	(3)	1,474	(1,477)	(3)	-
Community and Culture	5,060	13,068	(8,008)	4,531	12,862
Corporate Services	72,701	10,152	62,549	12,572	144,070
Development	11,154	10,312	842	3,354	-
	123,691	103,158	20,533	38,461	1,273,405

Notes to the Financial Report For the Year Ended 30 June 2023

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 Rates and charges

2023	2022
\$'000	\$'000

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

The valuation base used to calculate general rates for 2022/23 was \$16,250 million (2021/22 \$12,370 million).

General rates	58,791	57,832
Waste management charge	5,270	4,915
Service rates and charges	2,090	1,605
Supplementary rates and rate adjustments	432	355
Interest on rates and charges	325	385
Special rates and charges	225	1,053
Total rates and charges	67,133	66,145

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2023, and the valuation will be first applied in the rating year commencing 1 July 2023.

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

3.2 Statutory fees and fines

Town planning fees	594	694
Land information certificates	175	223
Permits	167	179
Infringements and costs	67	74
Total statutory fees and fines	1,003	1,170

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

3.3 User fees

Waste management services	3,119	3,398
Leisure centre and recreation	2,253	1,609
Other fees and charges	1,774	1,651
Registration and other permits	1,048	875
Entertainment centre	392	307
Saleyards	372	384
Emergency management works	89	45
Animal services	59	62
Total user fees	9,106	8,331

User fees by timing of revenue recognition

User fees recognised at a point in time	9,106	8,331
Total user fees	9,106	8,331

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES cont...

	2023 \$'000	2022 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	33,680	28,690
State funded grants	8,977	9,771
Total grants received	42,657	38,461
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	21,703	18,858
Recurrent - State Government		
Libraries	354	350
Rural Access and Transport connection	265	168
Cultural Services	259	299
Municipal emergency	228	130
School crossing supervisors	155	129
Parks and Environmental services	116	113
Environmental health	110	131
Community support programs	55	31
Other	40	10
Fire Service Property Levy	-	63
Total recurrent operating grants	23,285	20,282
Non-recurrent - Commonwealth Government		
Parks and Environmental services	3,266	138
Environmental planning	1,784	-
Street Lights	549	1,106
Community and Recreation facilities upgrade	357	60
Municipal Emergency	122	-
Economic Development and Tourism	7	10
Non-recurrent - State Government		
Natural disaster funding	2,214	482
Economic Development and Tourism	641	874
Community and Recreation facilities upgrade	450	278
Parks and Environmental services	337	2,316
Community support programs	183	129
Other	166	34
Wellington Coastal Subdivision Strategy	115	262
Vegetation Management	50	140
Street Lights	-	1,098
Cultural Services	-	6
Municipal emergency	-	(3)
Total non-recurrent operating grants	10,241	6,930
Total operating grants	33,526	27,212

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES cont...

	2023	2022
	\$'000	\$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	498	3,414
Total recurrent capital grants	498	3,414
Non-recurrent - Commonwealth Government		
Footpaths and cycleways	2,513	1,954
Roads	1,266	924
Parks, open space and streetscapes	240	598
Buildings	676	627
Plant, Machinery, and Equipment	90	-
Recreation and leisure community facilities	42	1,155
Bridges	452	-
Aerodrome	115	128
Non-recurrent - State Government		
Footpaths and cycleways	1,950	378
Other Infrastructure	700	412
Drainage	299	-
Buildings	209	835
Waste management	47	188
Roads	25	353
Library books	9	9
Recreation and leisure facilities	-	199
Parks, open space and streetscapes	-	75
Total non-recurrent capital grants	8,633	7,835
Total capital grants	9,131	11,249

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 *Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 *Income of Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Income recognised under AASB 1058 Income of Not-for-Profit Entities

General purpose	21,703	18,859
Specific purpose grants to acquire non-financial assets	9,131	11,249
Other specific purpose grants	354	350
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	11,469	8,004
	42,657	38,462

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES cont...

	2023 \$'000	2022 \$'000
(d) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	4,199	3,714
Received during the financial year and remained unspent at balance date	1,444	2,546
Received in prior years and spent during the financial year	(1,911)	(2,061)
Balance at year end	3,732	4,199
Capital		
Balance at start of year	15,508	17,682
Received during the financial year and remained unspent at balance date	413	5,133
Received in prior years and spent during the financial year	(9,996)	(7,307)
Balance at year end	5,925	15,508

Unspent grants are determined and disclosed on a cash basis.

3.5 Contributions

Monetary	841	1,811
Non-monetary	2,949	4,857
Total contributions	3,790	6,668

Contributions of non monetary assets were received in relation to the following asset classes.

Infrastructure	2,868	4,287
Property	81	570
Total non-monetary contributions	2,949	4,857

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

3.6 Other income

Interest on investments	3,812	473
Changes to net present value due to interest rate movements	2,721	-
Other rent	569	778
Volunteer Income	255	271
Donations	170	940
Recognition of assets	146	14
Insurance	33	165
Miscellaneous income	25	8
Interest on debtors	14	10
Bad and doubtful debts recovered	153	257
Total other income	7,898	2,916

Interest is recognised as it is earned.

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

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023	2022
	\$'000	\$'000
Note 4 THE COST OF DELIVERING SERVICES		
4.1 (a) Employee costs		
Wages and salaries	25,745	23,288
Superannuation	3,010	2,608
Casual staff	2,632	2,263
Other	525	415
WorkCover	237	246
Fringe benefits tax	236	178
Total employee costs	32,385	28,998

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	123	127
	123	127

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,415	1,518
Employer contributions to Australian Super	281	233
Employer contributions to REST Superannuation	147	130
Employer contributions to Cbus	132	116
Employer contributions to Aware-Vicsuper Scheme	103	82
Employer contributions - other funds	896	799
	2,974	2,878

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contractors	13,580	14,399
Infrastructure & parks maintenance	9,348	8,823
Materials	6,488	4,803
Waste management services	3,614	4,741
Contributions	2,823	3,019
Utility payments	2,567	2,246
Insurances	1,597	1,518
Environmental Authority fees	2,228	1,447
Building maintenance	1,395	1,180
Consultants	815	1,179
Total materials and services	44,455	43,355

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Depreciation

Infrastructure	19,410	17,756
Property	5,723	5,440
Plant and equipment	2,258	2,065
Total depreciation	27,391	25,261

Refer to note 5.2(c), 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - Intangible assets

Software	128	93
Water Rights	4	4
Landfill Airspace	705	823
Total Amortisation - Intangible assets	837	920

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 4 THE COST OF DELIVERING SERVICES cont...

	2023	2022
	\$'000	\$'000
4.5 Amortisation - Right of use assets		
Vehicles	360	350
Information Technology Equipment	50	47
Total Amortisation - Right of use assets	410	397
4.6 Bad and doubtful debts - allowance for impairment losses		
Rates debtors	10	19
Other debtors	52	6
Total bad and doubtful debts - allowance for impairment losses	62	25
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	1,107	1,548
New provisions recognised during the year	-	(6)
Amounts already provided for and written off as uncollectible	(4)	-
Amounts provided for but recovered during the year	(153)	(435)
Balance at end of year	950	1,107
An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.		
4.7 Borrowing costs		
Interest - Borrowings	48	71
Total borrowing costs	48	71
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
4.8 Finance Costs - Leases		
Interest - Lease Liabilities	8	2
Total finance costs	8	2
4.9 Other expenses		
Unused grant funding	11	1,119
Derecognition of assets	1,043	573
Work in progress assets written off	611	365
Councillors' allowances	364	358
Volunteer Expenses	255	271
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	58	69
Auditors' remuneration - Internal	30	42
Donations and Gifts	-	7
Rate Relief payments	1	1
Operating lease rentals	(1)	(2)
Changes to net present value due to interest rate movements	-	108
Total other expenses	2,372	2,911
4.10 Net loss on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	(1,150)	(1,177)
Written down value of assets disposed/replaced	2,484	2,395
Total net loss on disposal of property, infrastructure, plant and equipment	1,334	1,218

Notes to the Financial Report For the Year Ended 30 June 2023

Note 5 OUR FINANCIAL POSITION

5.1 Financial assets

(a) Cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash on hand	6	6
Cash at bank	1,113	10,068
Term deposits	29,741	48,386
Total cash and cash equivalents	30,860	58,460

(b) Other financial assets

Current

Term deposits - current	105,976	72,420
Total other financial assets	105,976	72,420
Total financial assets	136,836	130,880

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

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

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

Notes to the Financial Report For the Year Ended 30 June 2023

Note 5 OUR FINANCIAL POSITION cont...

	2023 \$'000	2022 \$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	3,573	3,400
Special rate assessment	281	73
Infringement debtors	76	69
Net GST receivable	841	1,288
<i>Non statutory receivables</i>		
Government grants	1,163	142
Other debtors	3,408	1,544
Provision for doubtful debts - other debtors	(2)	(6)
Waste management	297	992
Total current trade and other receivables	<u>9,637</u>	<u>7,502</u>
Non-current		
<i>Statutory receivables</i>		
Rates debtors	2,767	2,454
Provision for doubtful debts	(942)	(1,095)
Special rate scheme	941	1,352
Provision for doubtful debts - special charge scheme	(2)	(2)
Infringements and fire hazards	93	72
Provision for doubtful debts - infringements	(4)	(4)
Total non-current trade and other receivables	<u>2,853</u>	<u>2,777</u>
Total trade and other receivables	<u>12,490</u>	<u>10,279</u>

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

(d) Ageing of Receivables

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

Current (not yet due)	4,102	1,915
Past due by up to 30 days	285	77
Past due between 31 and 180 days	118	454
Past due between 181 and 365 days	13	46
Past due by more than 1 year	350	186
Total trade and other receivables	<u>4,868</u>	<u>2,678</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of Nil (2022: Nil) were impaired.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 5 OUR FINANCIAL POSITION cont...

5.2 Non-financial assets	2023	2022
	\$'000	\$'000
Intangible assets		
Water right	3	7
Software	405	455
Landfill air space	1,746	2,451
Total intangible assets	2,154	2,913

	Water right	Software	Landfill air space	Total
	\$'000	\$'000	\$'000	\$'000
Gross carrying amount				
Balance at 1 July 2022	35	761	7,498	8,294
Other additions	-	78	-	78
Balance at 30 June 2023	35	839	7,498	8,372
Accumulated amortisation and impairment				
Balance at 1 July 2022	28	306	5,047	5,381
Amortisation expense	4	128	705	837
Balance at 30 June 2023	32	434	5,752	6,218
Net book value at 30 June 2022	7	455	2,451	2,913
Net book value at 30 June 2023	3	405	1,746	2,154

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

5.3 Payables, trust funds and deposits and unearned income/revenue	2023	2022
	\$'000	\$'000
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	9,075	8,142
Accrued expenses	715	556
Total current trade and other payables	9,790	8,698

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 5 OUR FINANCIAL POSITION cont...

	2023 \$'000	2022 \$'000
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(b) Trust funds and deposits

Current

Overpaid rates	1,450	1,460
Refundable deposits	1,022	634
Fire services levy	441	465
Retention amounts	944	710
Other trust funds and deposits	167	213
Total current trust funds and deposits	4,024	3,482

(c) Unearned income/revenue

Current

Grants received in advance - operating	3,732	4,199
Grants received in advance - capital	5,925	15,508
Other	380	88
Total current unearned income/revenue	10,037	19,795

Unearned income/revenue represents contract liabilities, and reflects consideration received in advance from customers in respect of capital and operating projects. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

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

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

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

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

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

5.4 Interest-bearing liabilities

	2023 \$'000	2022 \$'000
Current		
Other borrowings - secured	289	289
Total current interest-bearing liabilities	289	289
Non-current		
Other borrowings - secured	160	449
Total non-current interest-bearing liabilities	160	449
Total	449	738

Borrowings are secured by Council Rate Income

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

Not later than one year	289	289
Later than one year and not later than five years	160	449
Later than five years	-	-

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.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 5 OUR FINANCIAL POSITION cont...

5.5 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2023			
Balance at beginning of the financial year	7,147	20,111	27,258
Additional provisions	3,427	-	3,427
Amounts used	(2,923)	(753)	(3,676)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(354)	(1,828)	(2,182)
Balance at the end of the financial year	7,297	17,530	24,827
<i>Provisions - current</i>	7,031	84	7,115
<i>Provisions - non-current</i>	266	17,446	17,712
2022			
Balance at beginning of the financial year	7,545	17,821	25,366
Additional provisions	2,714	2,644	5,358
Amounts used	(2,804)	(1,727)	(4,531)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(308)	1,373	1,065
Balance at the end of the financial year	7,147	20,111	27,258
<i>Provisions - current</i>	6,857	3,635	10,492
<i>Provisions - non-current</i>	290	16,476	16,766
	2023	2022	
	\$'000	\$'000	
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave	1,893	1,763	
Long service leave	462	462	
	2,355	2,225	
Current provisions expected to be wholly settled after 12 months			
Annual leave	739	888	
Long service leave	3,937	3,744	
	4,676	4,632	
Total current employee provisions	7,031	6,857	
Non-current			
Long service leave	265	289	
Sick leave	1	1	
Total non-current employee provisions	266	290	
Aggregate carrying amount of employee provisions:			
Current	7,031	6,857	
Non-current	266	290	
Total aggregate carrying amount of employee provisions	7,297	7,147	

Notes to the Financial Report For the Year Ended 30 June 2023

Note 5 OUR FINANCIAL POSITION cont...

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

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. 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 and measured at present value.

Key assumptions:

- discount rate	4.063%	3.693%
- index rate	2.250%	2.500%

	2023 \$'000	2022 \$'000
(b) Landfill restoration		
Current	84	3,635
Non-current	17,446	16,476
	17,530	20,111

Council is obligated to restore Kilmany, Longford, Maffra, Rosedale, Stratford and Yarram sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate	3.990%	3.693%
- index rate (2022/23)	6.000%	6.100%
- index rate (2023/24 onwards)	3.000%	3.000%
- settlement rate	10 Years	10 years
- estimates cost to rehabilitate	\$18.3 million	\$20.3 million

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2023

Bank overdraft	200	200
Credit card facilities	130	130
Other facilities	449	738
Total facilities	779	1,068
Used facilities	449	738
Unused facilities	330	330

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 5 OUR FINANCIAL POSITION cont...

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Operating					
Waste management	839	626	1,993	704	4,162
Health Services	355	-	-	-	355
Animal pound and shelter service	398	413	863	-	1,674
Litter bins	361	-	-	-	361
Software maintenance	435	-	-	-	435
Recreational leisure and community facilities	1,522	-	-	-	1,522
Footpaths & Cycleways	530	-	-	-	530
Total	4,440	1,039	2,856	704	9,039
Capital					
Buildings	751	-	-	-	751
Plant, Machinery & Equipment	2,039	-	-	-	2,039
Bridges	192	-	-	-	192
Footpaths & Cycleways	3,275	-	-	-	3,275
Roads	3,701	-	-	-	3,701
Other	1,632	-	-	-	1,632
Drainage	196	-	-	-	196
Land	371	-	-	-	371
Total	12,157	-	-	-	12,157
2022					
Operating					
Waste management	4,692	-	-	-	4,692
Health Services	710	722	734	-	2,166
Animal pound and shelter service	373	380	1,182	-	1,935
Litter bins	353	361	-	-	714
Software maintenance	366	-	-	-	366
L to P project	251	-	-	-	251
Total	6,745	1,463	1,916	-	10,124
Capital					
Footpaths and cycleways	2,618	-	-	-	2,618
Plant, Machinery & Equipment	1,766	-	-	-	1,766
Bridges	929	-	-	-	929
Buildings	713	-	-	-	713
Roads	486	-	-	-	486
Off Street Car Parking	123	-	-	-	123
Recreational leisure and community facilities	109	-	-	-	109
Aerodrome	106	-	-	-	106
Waste Management	89	-	-	-	89
Total	6,939	-	-	-	6,939

Notes to the Financial Report For the Year Ended 30 June 2023

Note 5 OUR FINANCIAL POSITION cont...

5.8 Leases

At inception of a contract, Council assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Council has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Under AASB 16 Leases, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-Use Assets	Vehicles \$'000	Other, etc. \$'000	Total \$'000
Balance at 1 July 2022	-	107	107
Additions	350	66	416
Amortisation charge	(350)	(116)	(466)
Balance at 30 June 2023	-	57	57

Lease Liabilities	2023 \$'000	2022 \$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	42	48
One to five years	29	135
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	71	183

Lease liabilities included in the Balance Sheet at 30 June:

Current	42	48
Non-current	29	70
Total lease liabilities	71	118

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 6 ASSETS WE MANAGE

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2022 \$'000	Additions \$'000	Recognised \$'000	Found Assets \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Derecognise	Write-off \$'000	Transfers \$'000	Carrying amount 30 June 2023 \$'000
Property	263,657	1,909	-	-	81	110,020	(5,723)	(274)	(5)	-	2,449	372,114
Plant and equipment	21,787	3,954	-	-	-	-	(2,258)	(214)	(7)	-	16	23,278
Infrastructure	832,390	19,619	146	354	2,868	93,992	(19,410)	(1,336)	(1,030)	-	5,374	932,967
Work in progress	10,705	6,797	-	-	-	-	-	-	-	(610)	(8,146)	8,746
	1,128,539	32,279	146	354	2,949	204,012	(27,391)	(1,824)	(1,042)	(610)	(307)	1,337,105

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	3,444	671	(24)	(3,021)	1,070
Plant and equipment	2	23	-	-	25
Infrastructure	7,259	6,103	(586)	(5,125)	7,651
Total	10,705	6,797	(610)	(8,146)	8,746

**Notes to the Financial Report
For the Year Ended 30 June 2023**

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT cont...

(a) Property

	Land - specialised	Land improvements	Land Under Roads	Total Land & Land Improvements	Buildings	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	132,838	4,368	46,598	183,804	169,572	169,572	3,444	356,820
Accumulated depreciation at 1 July 2022	-	(2,165)	-	(2,165)	(87,554)	(87,554)	-	(89,719)
	132,838	2,203	46,598	181,639	82,018	82,018	3,444	267,101
Movements in fair value								
Additions	315	-	2	317	1,592	1,592	671	2,580
Contributions	3	-	78	81	-	-	-	81
Revaluation	19,951	-	7,354	27,305	161,032	161,032	-	188,337
Disposal	-	-	-	-	(1,430)	(1,430)	-	(1,430)
Derecognise	-	-	-	-	(30)	(30)	-	(30)
Write-off	-	-	-	-	-	-	(24)	(24)
Transfers	(265)	(22)	-	(287)	2,533	2,533	(3,021)	(775)
	20,004	(22)	7,434	27,416	163,697	163,697	(2,374)	188,739
Movements in accumulated depreciation								
Depreciation and amortisation	-	(596)	-	(596)	(5,127)	(5,127)	-	(5,723)
Accumulated Depreciation of disposals	-	-	-	-	1,156	1,156	-	1,156
Accumulated Depreciation - Derecognise	-	-	-	-	25	25	-	25
Accumulated Depreciation - Revaluation	-	-	-	-	(78,317)	(78,317)	-	(78,317)
Transfers	-	1	-	1	202	202	-	203
	-	(595)	-	(595)	(82,061)	(82,061)	-	(82,656)
At fair value 30 June 2023	152,842	4,346	54,032	211,220	333,269	333,269	1,070	545,559
Accumulated depreciation at 30 June 2023	-	(2,760)	-	(2,760)	(169,615)	(169,615)	-	(172,375)
Carrying amount	152,842	1,586	54,032	208,460	163,654	163,654	1,070	373,184

**Notes to the Financial Report
For the Year Ended 30 June 2023**

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT cont...

(b) 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
At fair value 1 July 2022	12,848	3,467	1,465	2,947	11,314	2	32,043
Accumulated depreciation at 1 July 2022	(6,430)	(1,922)	(459)	(1,443)	-	-	(10,254)
	6,418	1,545	1,006	1,504	11,314	2	21,789
Movements in fair value							
Additions	3,253	33	307	235	126	23	3,977
Disposal	(1,105)	(160)	-	(273)	-	-	(1,538)
Derecognise	-	-	(61)	-	-	-	(61)
Transfers	16	-	-	-	-	-	16
	2,164	(127)	246	(38)	126	23	2,394
Movements in accumulated depreciation							
Depreciation and amortisation	(1,451)	(313)	(259)	(235)	-	-	(2,258)
Accumulated Depreciation of disposals	891	160	-	273	-	-	1,324
Accumulated Depreciation - Derecognise	-	-	54	-	-	-	54
	(560)	(153)	(205)	38	-	-	(880)
At fair value 30 June 2023	15,012	3,340	1,711	2,909	11,440	25	34,437
Accumulated depreciation at 30 June 2023	(6,990)	(2,075)	(664)	(1,405)	-	-	(11,134)
Carrying amount	8,022	1,265	1,047	1,504	11,440	25	23,303

Notes to the Financial Report
For the Year Ended 30 June 2023

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT cont...

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community facilities	Waste Management	Parks open space and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	881,359	112,424	54,695	103,543	35,461	5,848	36,464	16,229	4,072	21,535	7,259	1,278,889
Accumulated depreciation at 1 July 2022	(284,581)	(44,624)	(17,615)	(37,343)	(17,370)	(2,420)	(14,050)	(9,191)	(1,864)	(10,180)	-	(439,238)
	596,778	67,800	37,080	66,200	18,091	3,428	22,414	7,038	2,208	11,355	7,259	839,651
Movements in fair value												
Additions	12,447	853	3,445	243	322	234	1,632	166	71	206	6,103	25,722
Contributions	1,368	-	558	932	-	-	10	-	-	-	-	2,868
Newly Recognised	146	-	-	-	-	-	-	-	-	-	-	146
Found Assets	87	125	29	197	-	-	-	-	-	-	-	438
Revaluation	(1)	12,976	-	31,269	17,791	2,734	32,342	41,443	3,719	31,916	-	174,189
Disposal	(3,682)	-	(993)	(33)	(309)	(24)	(169)	-	-	-	-	(5,210)
Derecognise	(191)	-	(50)	(1,388)	-	-	(49)	-	-	(12)	-	(1,690)
Write-off	-	-	-	-	-	-	-	-	-	-	(586)	(586)
Transfers	1,353	317	1,884	367	653	273	329	164	-	34	(5,125)	249
	11,527	14,271	4,873	31,587	18,457	3,217	34,095	41,773	3,790	32,144	392	196,126
Movements in accumulated depreciation												
Depreciation and amortisation	(12,074)	(1,138)	(1,205)	(1,041)	(1,265)	(216)	(1,327)	(345)	(95)	(704)	-	(19,410)
Accumulated depreciation of disposals	2,823	-	641	9	267	17	117	-	-	-	-	3,874
Accumulated Depreciation - Derecognise	50	-	11	544	-	-	45	-	-	10	-	660
Depreciation Prior Year Found	(11)	(35)	(4)	(34)	-	-	-	-	-	-	-	(84)
Accumulated Depreciation Revaluation	-	(5,110)	-	(11,030)	(8,745)	(1,101)	(13,517)	(20,912)	(1,300)	(18,482)	-	(80,197)
	(9,212)	(6,283)	(557)	(11,552)	(9,743)	(1,300)	(14,682)	(21,257)	(1,395)	(19,176)	-	(95,157)
At fair value 30 June 2023	892,886	126,695	59,568	135,130	53,918	9,065	70,559	58,002	7,862	53,679	7,651	1,475,015
Accumulated depreciation at 30 June 2023	(293,793)	(50,907)	(18,172)	(48,895)	(27,113)	(3,720)	(28,732)	(30,448)	(3,259)	(29,356)	-	(534,395)
Carrying amount	599,093	75,788	41,396	86,235	26,805	5,345	41,827	27,554	4,603	24,323	7,651	940,620

Notes to the Financial Report For the Year Ended 30 June 2023

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT cont...

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

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Notes to the Financial Report For the Year Ended 30 June 2023

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT cont...

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and land under roads

The general rates revaluation was undertaken by qualified independent valuer Daniel Scarfo Registered Valuer No 71139, the valuation of land was derived from the data supplied from the general rates revaluation and applied at 30 June 2022.

The valuation of land 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. The valuation of land was undertaken by an independent valuer.

Land under roads 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.

	2023	2022
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	54,032	46,598
Parks, open space and streetscapes	83,310	72,200
Recreation, leisure and community facilities	48,521	42,339
Off-street car parks	8,424	7,337
Aerodromes	5,302	4,618
Waste management	3,358	2,925
Other infrastructure - Piers/Jetties/Caravan parks/Markets/Saleyards	3,026	2,635
Drainage	901	785
Total specialised land	206,874	179,437

Building and Structures

The replacement cost of buildings and structures was determined by the following qualified independent valuers:

Public Artworks - Rodney James, Art Consultant and Registered Valuer with Art Consulting Association of Australia;

Skate Parks and Pump Tracks – Tysen Haley of Haley Constructions;

Playgrounds – Hutchison Park Services;

Aerodromes; Carparks; Parks, Open Space and Streetscapes; Recreational, Leisure and Community facilities; Waste Management; Other Infrastructure (excluding the above) - Daniel Scarfo, Registered Valuer No 71139 of Gippsland Property Valuations.

Notes to the Financial Report For the Year Ended 30 June 2023

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT cont...

For assets categorised as specialised, valuation at fair value was undertaken by Council based on the cost approach (replacement cost), using asset condition and useful life as the fair value inputs, less accumulated depreciation at valuation date 30 June 2023.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.
As a result of the revaluation, the total net increase in the value of buildings and structures was \$148.60M (102.12%).

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land - Specialised	-	-	152,842	30/06/2023	Index
Land improvements	-	-	-	n/a	n/a
Land under roads	-	-	54,032	30/06/2023	Index
Buildings - Specialised	-	-	163,655	30/06/2023	Full
Total	-	-	370,529		

Valuation of infrastructure

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

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

Drainage

Valuation of the drainage asset class was undertaken at 30 June 2023 by Council Officer Mr. Chris Hastie B.Eng (Civil), Gcert Mgt. As a result of the revaluation, the total net increase in the value of the drainage asset class was \$20.24M (30.67%).

Bridges, Major Culverts & Floodways

At 30 June 2023, Council reviewed the carrying amount of bridges, major culverts and floodways to determine whether any material movement in fair value had occurred during the year. The *ABS Index 3101 - Road and Bridge Construction Victoria* indicates an increase of 13-15% in the current replacement cost of bridges, major culverts and floodways since the last revaluation at 30 June 2021. It was thus determined that the movement was material in nature and a revaluation was required at 30 June 2023 to accurately reflect the value of this asset class. As a result of the revaluation, the total replacement value of bridges, major culverts and floodways has increased by \$7.87M (11.58%).

Roads and Footpaths

In 2020, Council undertook a valuation of its road and footpath asset classes. With valuations being undertaken on a 4-year cycle, the next full revaluation is scheduled for June 2024. At 30 June 2022, Council reviewed the carrying amount of assets to determine whether any material movement in final value had occurred during the year. The review of the ABS Road and Bridge construction index resulted in an increase of approximately 10.25% in the current replacement cost of the road and footpaths asset class since the last revaluation on 30 June 2020. It was thus determined that the movement was material in nature and a revaluation was required at 30 June 2022 to accurately reflect the value of these asset classes.

As a result of the revaluation, the total net increase in the value of roads increased by \$43.8M (8.5%).
As a result of the revaluation, the total replacement value of footpaths increased by almost \$2.7M (8.1%).

Notes to the Financial Report For the Year Ended 30 June 2023

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT cont...

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	599,093	30/06/2022	Index
Bridges	-	-	75,788	30/06/2023	Index
Footpaths and cycleways	-	-	41,396	30/06/2022	Index
Drainage	-	-	86,235	30/06/2023	Full
Recreational, leisure and community	-	-	26,805	30/06/2023	Full
Waste management	-	-	5,345	30/06/2023	Full
Parks, open space and streetscapes	-	-	41,827	30/06/2023	Full
Aerodromes	-	-	27,554	30/06/2023	Full
Off street car parking	-	-	4,603	30/06/2023	Full
Other infrastructure	-	-	24,323	30/06/2023	Full
Total	-	-	932,969		

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 \$0.02 and \$30,909.73 per square metre and land under roads values range between \$0.23 and \$4.10 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 \$626 to \$16,650 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 4 years to 99 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

ADJUSTMENTS DIRECTLY TO EQUITY

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

	2023 \$'000	2022 \$'000
Roads, Streets, Drainage, Bridges & Culverts	(2,228)	(1,127)
Buildings & Structures	359	504
Land	(478)	(422)
	(2,347)	(1,045)

Notes to the Financial Report For the Year Ended 30 June 2023

Note 7 PEOPLE AND RELATIONSHIPS

7.1 Council and key management remuneration

(a) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Wellington Shire Council. The Councillors, Chief Executive Officer and General Managers are deemed KMP.

Details of KMP at any time during the year are:

		2023 No.	2022 No.
Councillors	Mayor Ian Bye Deputy Mayor John Tatterson (Cr. 01/07/2022 - 01/11/2022) Cr Marcus McKenzie (Dep. 01/07/2022 - 01/11/2022) Cr Garry Stephens Cr Scott Rossetti Cr Carolyn Crossley Cr Gayle Maher Cr Jill Wood Cr Carmel Ripper		
CMT	Chief Executive Officer - David Morcom General Manager Built and Natural Environment - Chris Hastie General Manager Community & Culture - Clemence Gillings (from 04/07/2022) General Manager Development - Brent McAlister (01/07/2022 - 20/01/2023) General Manager Development - Andrew Pomeroy (from 24/04/2023) General Manager Corporate Services - Arthur Skipitaris		
Total Number of Councillors		9	9
Total of Chief Executive Officer and other Key Management Personnel		5	5
Total Number of Key Management Personnel		14	14

(b) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2023 \$'000	2022 \$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,559	1,520
Other long-term employee benefits	99	34
Post-employment benefits	112	108
Total	1,770	1,662

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2023 No.	2022 No.
\$30,000 - \$39,999	7	6
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	-	1
\$90,000 - \$99,999	1	-
\$170,000 - \$179,999	-	1
\$240,000 - \$249,999	1	1
\$250,000 - \$259,999	1	1
\$260,000 - \$269,999	1	-
\$270,000 - \$279,999	-	1
\$290,000 - \$299,999	1	-
\$350,000 - \$359,999	1	1
	14	14

Notes to the Financial Report For the Year Ended 30 June 2023

Note 7 PEOPLE AND RELATIONSHIPS cont...

(c) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 and who report directly to a member of the KMP.*

	2023 \$'000	2022 \$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	1,395	1,218
Other long-term employee benefits	52	28
Post-employment benefits	134	114
Total	<u>1,581</u>	<u>1,360</u>

The number of other senior staff are shown below in their relevant income bands:

	2023 No.	2022 No.
Income Range:		
\$151,000 - \$159,999	-	2
\$160,000 - \$169,999	3	2
\$170,000 - \$179,999	4	3
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	1	-
	<u>9</u>	<u>8</u>

	2023 \$'000	2022 \$'000
Total remuneration for the reporting year for other senior staff included above, amounted to:	1,581	1,360

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the Local Government Act 1989.

	2023 \$'000	2022 \$'000
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7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.	831	1,165
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During the period Council entered into a number of transactions with related parties of KMP's or their close family members. These transactions occurred within normal commercial terms and conditions. These transactions included \$20,000 of annual maintenance and risk subsidies, and \$43,376 of community grants for various events and minor facilities improvements. Transactions with Central Gippsland Health Services included contributions towards health services of \$642,519 (2022: \$951,448), as well as \$1,181 for linen services and emergency department costs. A \$100,040 (2022: \$13,750) contribution was made towards Destination Gippsland's Event Acquisition Fund. A further \$23,965 (2022: \$75,796) was spent on contractors for facilities maintenance, advertising, and signage.

(b) Outstanding balances with related parties

The balance outstanding at the end of the reporting period in relation to transactions with related parties was Nil (2021/22 Nil).

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party was Nil (2021/22 Nil).

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council was Nil (2021/22 Nil).

Notes to the Financial Report For the Year Ended 30 June 2023

Note 8 MANAGING UNCERTAINTIES

8.1 Contingent assets and liabilities

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

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

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

	2023 \$'000	2022 \$'000
Developer contributions	1,807	1,122
Total Contingent Assets	1,807	1,122

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Superannuation

Wellington Shire Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, Wellington Shire Council has paid unfunded liability payments to Vision Super totalling \$Nil during 2022/23 (2021/22 \$Nil). There were \$Nil contributions outstanding and \$Nil loans issued from or to the above schemes as at 30 June 2023. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 are \$34,347.

Liability Mutual Insurance

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

(c) Guarantees for loans to other entities

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

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

Council has guaranteed a loan taken out by a community group, to undertake significant capital works to the Club's facilities on Council Land

Notes to the Financial Report For the Year Ended 30 June 2023

Note 8 MANAGING UNCERTAINTIES cont...

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

	2023 \$'000	2022 \$'000
Bank Guarantees	971	935
Total Bank Guarantees	971	935

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the Local Government Act 2020. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2023

Note 8 MANAGING UNCERTAINTIES cont...

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council has a policy for establishing credit limits for the entities council deals with;
- council may require collateral where appropriate; and
- council only invests surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1 (c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of -0.50% and 0.50% in market interest rates (AUD) from year-end rates of 5.14%.

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 2023

Note 8 MANAGING UNCERTAINTIES cont...

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

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. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis of 4 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	4 years
Buildings	4 years
Roads	4 years
Bridges	4 years
Footpaths and cycleways	4 years
Drainage	4 years
Recreational, leisure and community facilities	4 years
Waste management	4 years
Parks, open space and streetscapes	4 years
Aerodromes	4 years
Other infrastructure	4 years

Notes to the Financial Report For the Year Ended 30 June 2023

Note 8 MANAGING UNCERTAINTIES cont...

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

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the 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.

8.5 Events occurring after balance date

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

Notes to the Financial Report For the Year Ended 30 June 2023

Note 9 OTHER MATTERS

9.1 Reserves

	Balance at beginning of reporting period	Adjustment directly to equity	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserves				
2023				
Property				
Land and land improvements	119,952	(213)	19,951	139,690
Land under roads	29,090	-	7,355	36,445
Buildings and Structures	59,775	451	148,601	208,827
	208,817	238	175,907	384,962
Infrastructure				
Roads	468,400	(1,486)	(1)	466,913
Bridges	24,947	-	7,867	32,814
Footpaths and cycleways	22,091	(337)	-	21,754
Drainage	23,803	(406)	20,239	43,636
	539,241	(2,229)	28,105	565,117
Other				
Art Gallery Stock	6,330	-	-	6,330
Total asset revaluation reserves	754,388	(1,991)	204,012	956,409

Reconciliation of net revaluation movement	\$'000
Increment recognised in 2022/2023	204,012
Adjustment directly to equity	(1,991)
2023 Net revaluation increment	202,021

2022

Property

Land & land improvements	74,673	(422)	45,701	119,952
Land under roads	22,124	-	6,966	29,090
Buildings and Structures	59,334	504	(63)	59,775
	156,131	82	52,604	208,817

Infrastructure

Roads	424,640	(1,037)	44,797	468,400
Bridges	25,011	(122)	58	24,947
Footpaths and cycleways	19,434	(31)	2,688	22,091
Drainage	23,740	63	-	23,803
	492,825	(1,127)	47,543	539,241

Other

Art Gallery Stock	6,330	-	-	6,330
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Total asset revaluation reserves	655,286	(1,045)	100,147	754,388
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The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Reconciliation of net revaluation movement	\$'000
Increment recognised in 2021/2022	100,147
Adjustment directly to equity	(1,045)
2022 Net revaluation increment	99,102

Notes to the Financial Report

For the Year Ended 30 June 2023

Note 9 OTHER MATTERS cont..

	Balance at \$'000	Transfer from \$'000	Transfer to \$'000	Balance at end \$'000
(b) Other reserves				
2023				
Discretionary reserves				
Asset improvement	1,247	-	(18)	1,229
Plant replacement	1,529	1,100	(1,161)	1,468
Waste management	6,499	1,619	(2,478)	5,640
Total discretionary reserves	9,275	2,719	(3,657)	8,337
Non discretionary reserves				
Recreational land	1,102	253	(129)	1,226
Infrastructure contributions	158	-	-	158
Art gallery acquisition	16	11	(19)	8
Art gallery contribution	44	-	(39)	5
Leased property improvements	2,366	737	-	3,103
Total Non Discretionary reserves	3,686	1,001	(187)	4,500
Total Other reserves	12,961	3,720	(3,844)	12,837
2022				
Discretionary reserves				
Asset improvement	1,307	-	(60)	1,247
Plant replacement	1,373	1,000	(844)	1,529
Waste management	6,640	1,618	(1,759)	6,499
Total discretionary reserves	9,320	2,618	(2,663)	9,275
Non discretionary reserves				
Recreational land	754	348	-	1,102
Infrastructure contributions	1	59	98	158
Art gallery acquisition	13	3	-	16
Art gallery contribution	7	37	-	44
Leased property improvements	1,610	756	-	2,366
Total Non Discretionary reserves	2,385	1,203	98	3,686
Total Other reserves	11,705	3,821	(2,565)	12,961

Notes to the Financial Report For the Year Ended 30 June 2023

Note 9 OTHER MATTERS cont..

Purpose of Reserves

Discretionary Reserves

Asset Improvement

Reserve to fund capital improvements.

Plant Replacement

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

Waste Management

Reserve is to fund the establishment of recycling and transfer stations and an increase in landfill capacity in the future.

Non Discretionary Reserves

Recreational Land

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

Infrastructure Contributions

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

Art Gallery Acquisition

Reserve is to fund future approved art gallery acquisitions.

Art Gallery Contributions

Reserve is to fund future specific major art gallery exhibitions.

Leased Property Improvements

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

Notes to the Financial Report For the Year Ended 30 June 2023

Note 9 OTHER MATTERS cont..

	2023	2022
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	22,285	20,533
Depreciation/amortisation	28,639	26,578
Loss on disposal of property, infrastructure, plant and equipment	1,334	1,218
Other	(1,214)	1,032
Borrowing costs	48	71
Finance Cost - Leases	8	2
Bad and Doubtful Debts (net written off and expensed)	(91)	-
Contributions - monetary (non-operating)	(194)	(1,139)
Contributions - non-monetary	(2,948)	(4,855)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(2,120)	7,587
Increase in trade and other payables	1,092	928
(Increase)/decrease in inventories	(26)	(33)
(Decrease)/increase in provisions	290	1,784
(Increase)/decrease in prepayments	(168)	(370)
(Decrease)/increase in trust funds and deposits	543	(971)
(Decrease)/increase in unearned income/revenue	(9,758)	(1,600)
Net cash provided by/(used in) operating activities	37,720	50,765

9.3 Superannuation

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 category, 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 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022: 10.0%)).

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of 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.

Notes to the Financial Report For the Year Ended 30 June 2023

Note 9 OTHER MATTERS cont..

Funding arrangements

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

A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns 5.7% pa

Salary information 3.5% pa

Price inflation (CPI) 2.8% pa

As at 30 June 2022, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.2%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.5% pa

Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter

Price inflation (CPI) 3.0% pa

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). Vision Super has advised that the estimated VBI at June 2023 was 104.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 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

(a) Regular contributions

On the basis of the results of the 2022 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 2023, this rate was 10.5% of members' salaries (10.0% in 2021/22). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2022 interim valuation.

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.

(b) 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.

Notes to the Financial Report For the Year Ended 30 June 2023

Note 9 OTHER MATTERS cont..

The 2022 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2022 and the last full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2022 (Interim) \$m	2021 (Interim) \$m
- A VBI Surplus	44.6	214.7
- A total service liability surplus	105.8	270.3
- A discounted accrued benefits surplus	111.9	285.2

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 2022.

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 as at 30 June 2022.

The discounted accrued benefits surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2022.

The 2023 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2023. It is anticipated that this actuarial investigation will be completed by 31 December 2023. The financial assumptions for the purposes of this investigation are:

	2023 Triennial investigation	2020 Triennial investigation
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.50 % pa	2.50 % pa for the first two years and 2.75% pa thereafter
Price inflation	2.8% pa	2.0% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2023 are detailed below:

Scheme	Type of Scheme	Rate	2023 \$'000	2022 \$'000
Vision super	Defined benefits	10.5% (2022:10.0%)	123	127
Vision super	Accumulation	10.5% (2022:10.0%)	1,415	1,518
Other Schemes	Accumulation	10.5% (2022:10.0%)	1,559	1,360

[In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$nil in the 2022/23 Year (2021/22 \$Nil).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023 (2022: \$Nil)

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$120,280.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 10 CHANGE IN ACCOUNTING POLICY

There are no current changes to standards that will have any significant impact on council.

Glossary

Act	means the <i>Local Government Act 2020</i>
Annual Report	means a report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement
Budget	means a plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the council plan
Council Plan	means a plan setting out the medium-term strategic objectives, strategies, strategic indicators and resources reflecting vision and aspirations of the community for the next four year
Financial performance indicators	means a prescribed set of indicators and measures that assess the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability and efficiency
Financial statements	means the financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports and a statement of capital works and included in the annual report
Financial year	means the period of 12 months ending on 30 June each year
Governance and management checklist	means a prescribed checklist of policies, plans and documents that councils must report the status of in the report of operations, covering engagement, planning, monitoring, reporting and decision making

Indicator	means what will be measured to assess performance
Initiatives	means actions that are one-off in nature and/or lead to improvements in service
Major initiative	means significant initiatives that will directly contribute to the achievement of the council plan during the current year and have a major focus in the budget
Measure	means how an indicator will be measured and takes the form of a computation, typically including a numerator and denominator
Minister	means the Minister for Local Government
Performance statement	means a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report
Integrated strategic planning and reporting framework	means the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act
Report of operations	means a report containing a description of the operations of the council during the financial year and included in the annual report
Services	means assistance, support, advice and other actions undertaken by a council for the benefit of the local community
Service outcome indicators	means the prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved

Service performance indicators	means a prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes
Strategic objectives	means the outcomes a council is seeking to achieve over the next four years and included in the council plan
Financial plan	means a plan of the financial and non-financial resources for at least the next ten years required to achieve the strategic objectives in the council plan. It is also referred to as a long term financial plan
Strategies	means high level actions directed at achieving the strategic objectives in the council plan
Sustainable capacity indicators	means a prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management



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