



Council Policy Manual

WEST WIMMERA SHIRE COUNCIL

COUNCIL POLICY			
STREET TREE POLICY		Policy No:	
		Adopted by Council:	
		Next review date:	June 2022
Senior Manager:	Director Infrastructure Development & Works		
Responsible Officer:	Contracts Manager		
Functional Area:	Parks and Gardens		
Introduction & Background	<p>The Shire has a number of townships each with their own unique street tree plantings, which form a significant contribution to West Wimmera Shire's amenity appeal.</p> <p>Tree lined and leafy streetscapes provide attractiveness all year round and valuable shade during the summer months.</p>		
Purpose & Objectives	<ol style="list-style-type: none">1. To provide guidelines for the selection, location, retention, maintenance and amenity of street trees for the enhancement of residential and community amenity.2. To recognise the Street Tree Management Plan for procedures and guidelines for determination of applications for the lopping, removal or destruction of street trees.3. To acknowledge and ensure compliance with the requirements relating to native vegetation and significant trees under the Planning & Environment Act 1989.4. To adhere to risk management principles including meeting insurance requirements and the <i>Electrical Safety Act 1998</i>.5. Linkage with other documents such as the <i>WWSC Street Tree Management Plan</i> and the <i>Township Tree Management Plan</i> with Powercor(or its nominated contractors).		
Policy Details			
1.	Scope & Effect of this policy		
	<p>Area of Effect</p> <p>This policy applies to all street tree planting/s and removal in township zones*, and parks and reserves adjoining townships within the West Wimmera Shire.</p>		



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	<p>Definitions</p> <p>For the Purposes of this Policy, the following definitions and meanings apply:</p> <p>A Street Tree – means any vegetation growing on or within the boundaries of any Council controlled/managed, park, reserve, nature strip or township road reserve/s.</p> <p>Street trees on any of the above listed areas of land, becomes the property or responsibility of Council, and therefore the rights and duties, with respect to the care and maintenance for that vegetation, also rests with Council.</p>
2.	<p>Insurance and statutory requirements</p> <p>Council is required by its insurers to develop and adopt a Tree Management Policy for township street trees to ensure public safety and mitigate public liability risk.</p> <p>The Electrical Safety Act 1998 and associated regulations impose requirements on Council operations for street trees under power lines.</p> <p>The Planning & Environment Act 1989 and associated regulations, including the <i>West Wimmera Planning Scheme</i>, with respect to the management of native vegetation (CI 52.17) and other significant vegetation (ie CI 43.01).</p>
3.	<p>Street Tree Management Plan</p> <p>Council will develop, maintain and implement a Street Tree Management Plan incorporating criteria, guidelines and procedures for the following matters:</p> <ul style="list-style-type: none"> • Selection of street trees for planting • Determination of location • Applications for lopping, removal or destruction, or retention. • Risk assessments and maintenance • amenity of street trees. <p>This plan will be reviewed every 4 years or as required.</p>

Policy Adopted:	Ordinary Meeting	Minute Book Page _____	RecFind _____
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WEST WIMMERA SHIRE COUNCIL

West Wimmera Shire Council Street Tree Management Plan

2015

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STREET TREE MANAGEMENT PLAN

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1. GENERAL

1.1 Introduction

The Shire has a number of townships each with their own unique street tree plantings, which form a significant contribution to West Wimmera's amenity appeal.

Tree lined and leafy streetscapes provide attractiveness all year round and valuable shade during the summer months.

1.2 Aim

The following policy guidelines aim to establish an overall environmentally sensitive and cost effective comprehensive management programme and a guide for maintenance. A major consideration must be that a balance is maintained between the number of street plantings and Council's ability to financially service and maintain these trees. On a micro-management level the issues will be encompassed as part of West Wimmera's Street Tree Strategy contained in the Township Amenity Plan, and the Township Tree Management Plan and Agreement with Powercor.

Council's aim is to conserve, and enhance the Shire's Streetscapes to a standard which will strengthen both the individual residential and community streetscape amenity of the Shire by:

Ensuring that the Shire's street trees are of dimensions that are dominant in the streetscape once established.

- Unifying the streetscape irrespective of less desirable street features.

1.3 Application

This policy shall apply to all street planting within the Shire of West Wimmera.

Any vegetation growing on Council controlled nature strip or road reservation becomes the property of Council, and therefore the duty as regard to care and maintenance also rests with Council, unless that responsibility is apportioned elsewhere under Council's Local Law.

2. MANAGEMENT

2.1 General

Councils' first priority is to maintain public safety with respect to the planning, provision and maintenance of its trees and streetscapes.

Victorian Council's are required by its insurers Civic Mutual Plus to develop and adopt a Tree Management Policy for urban street trees to mitigate public liability risk. Council is required:

- To verify a traceable link between proactive inspections, maintenance generation and completed works for the urban street trees & reserve trees selected.
- Have a traceable reactive program in place for trees where Council can demonstrate a link between a reactive request, maintenance generation and completed works.
- Record maintenance and works to Council trees against a tree inventory and/or property location.

Council will seek from time to time to nominate significant treescapes with the appropriate authorities to ensure their conservation and protection.

Council acknowledges that street trees will conflict with other elements of the streetscape, particularly hard structures and services; but recognises that all components of a streetscape are essential to provide a pleasant and functional environment.

Issues affecting the local environment and trees on public and private land will be promoted by Council when deemed appropriate.

The performance of works associated with this Policy will be undertaken in accordance with relevant legislation including *Occupational Health and Safety and Local Government Acts*, and the *Electrical Safety Act 1998*.

In estimating the value of street trees to the local community the Shire will utilise the *Draft Australian Standard (Trees – Amenity Valuation)*.

New planting will be undertaken in streets in accordance with priorities set in Councils Capital Works Programme and with reference to the Street Tree Strategy contained in the Township Amenity Plan, and from resident requests, and will be performed following consultation with affected residents.

Generally residents will not be permitted to plant trees and shrubs within Council controlled nature strips and road reserves. Such plantings may be regarded as unauthorised plantings and may be removed at the discretion of Council. However in circumstances where Council approves tree planting schemes proposed by residents, such approval will be given provided all the elements of this policy are observed in such a planting programme.

2.2 Streetscape Regeneration

Trees are not a permanent feature and it is possible for a tree to start its decline long before it becomes dangerous or dies.

It is possible to anticipate tree death and plan for regeneration of the streetscape by removing selected trees along a street and replacing them with new trees. As these new trees obtain a size large enough to make a visual impact on the street, the remaining old or dying trees can be replaced. These trees will eventually grow to provide the same benefits provided by the originals. Selective thinning of even aged mature populations to allow for younger plantings in order to ensure population sustainability will be considered.

If through old age or bad pruning techniques street trees lose their vigour, then in such circumstances the tree should be replaced before it dies. If required, a report may be prepared for Council outlining the work that is required to renew the trees in the street, or the reasons for removing and replacing a tree. Council officers will decide whether this work will proceed.

2.3 Species Selection

Tree species selection will take into account relative hardiness, and integration into surrounding planting themes.

Tree species will be chosen which are appropriate in form, size, cover, scale, etc., for a particular street. Appropriate tree species that are sited sensitively and sensibly, will enhance the visual aspects of the street and contribute to the streetscape.

The diverse characteristics of individual streets or areas within the Shire and differing resident expectations will mean species flexibility is desirable. Both native and exotic street plantings will be used to enhance and complement the streetscape in planting programmes. Planting options for various streets within the Towns of West Wimmera will be examined in the Street Tree Strategy.

Council (or its nominated representative) shall nominate the species of tree(s) to be planted in the street, in consultation with the street's residents. Reference will be made to the Street Tree Strategy.

A site analysis will ensure that species of tree(s) planted will fulfil aesthetic, biological and functional requirements of each site. Where there is a dominant, significant stand of trees, this theme will be continued. Where tree species have been removed because they are inappropriate, more suitable species will be sought to fulfil site requirements.

Council considers the following to be desirable features of street plantings;

- Of a size which is dominant in the streetscape once established.
- An enhancement of the appearance of the street and complementary to individual house/premises.
- To unify the street generally by using not more than two species per street.
- In streets where there are different species used, new plantings will reinforce the predominant or most appropriate species present.

- In situations where poor soil or other site conditions may inhibit good growth or restrict the use of normal species used in street plantings, Council's arboricultural representative may nominate a more appropriate species to be used. This alternate species will still exhibit characteristics suited to street plantings.
- Species shall be of reasonably fast or moderate growth habit, whilst exhibiting uniform and consistent crown shape and dimension. Species that sacrifice structural integrity for rapid growth will be avoided. Species that have been documented to present a risk to public safety due to toxicity or structural instability likewise will be avoided.
- Can be readily and economically maintained clear of power lines in an aesthetic manner.
- Species used shall develop a clear trunk height to facilitate unrestricted vehicular parking and pedestrian flow; and to be unsuitable as a haven for undesirables. Clear vision for motorists and pedestrians especially at intersections and crossovers must be maintained.
- Manageable root structures in advanced age.
- Provides shade in the summer months.

The following street features shall be considered prior to species selection in naturestrips and full width asphalt footpaths;

- Width and type of naturestrip in relation to growth and ultimate tree size.
- Soil conditions.
- Width and length of road pavement in relation to the scale of the streetscape; street maintenance requirements and parking requirements.
- Height, position and capacity (HV/LV) of overhead services.
- Location, depth and offsets of Telecom, Gas, Drainage, Power and Council services.
- Predominant plantings throughout the street properties – type, condition and overhang of some.
- Style of homes and proximity in relation to property frontages.
- Shade requirements and existing landscape features of the streetscape.

2.4 Streetscape Design

Good streetscape design does not automatically result with the infusion of street tree planting programmes. It requires considerable design vision and a strong commitment to the appropriateness of tree planting to certain urban/residential areas. Reactive approach to tree planting in some urban/or built up areas, can often result in controversial promises and unsatisfactory streetscapes. An understanding of the residential areas must be appreciated, and in certain areas trees in the street are inappropriate. A consultative approach to streetscape design with effected stakeholders is useful.

An appropriate selection can be achieved through an understanding of the street space. The street space should be understood in terms of its visual, physical and functional components as well as its relationship to the surrounding areas.

When streetscape works are planned three design objectives should be considered. The objectives are:

- Formality
 - * Formality will achieve a unifying effect of the street space. A formal design will unify the built elements that do vary i.e., buildings, fences, etc.
- Scale
 - * To achieve an appropriate scale tree structure should attain a size in proportion to the streetscape, and avoid informal variations in shape and size.
- Character – Sense of Place
 - * Street design should aim to enhance the characteristics of the street space which contribute to the character of the street. Character can also be retained if the existing built form and landscape character are enhanced and maintained. The choice of tree species should also reflect the history of the built form etc.

The role of the street tree is manifold, and as to whether they are appropriate or not to a particular street is often subjective. This means that the designer must look beyond just selecting a species because it will survive. The tree must “fit” or suit that particular sense of place.

- Some of the functions of the street tree include:
 - * to relate buildings to the landscape or site
 - * to relate buildings to each other
 - * to provide protection, from wind and sun, a cool environment on hot days
 - * to provide visual protection from noise, privacy and screening
 - * to direct vehicular and pedestrian circulation
 - * to channel views to or away from objects or structures
 - * to provide contrast in colour, texture, form, shadows, etc.
 - * to reduce the impact of unrelated, unified building developments
 - * to provide a sense of “scale” to the street
 - * to provide “life” and vibrance in the form of shadows and patterns on the pavement, sounds of rustling leaves, and wildlife habitat.
 - * to disguise overhead powerlines
 - * to identify the entrance into a particular precinct, shopping area, historical area, residential area etc.
 - * to provide character – “sense of place” to an area.
 - * to act as the structural component in an ecological corridor for the encouragement of local fauna.

- Of equal importance to the things we want street trees to do, are those things that we don't want them to do.
 - * they should not frequently drop branches
 - * avoid trees that drop berries, sticky seeds, poisonous flowers and seeds
 - * avoid trees that are prone to particular pests and diseases
 - * their roots should have a minimal impact on roads and drains, and other street services,
 - * they should not obstruct visibility at intersections, signs etc.
 - * they should be drought tolerant and long-lived.
- It is important to assess the role of the street tree in a particular street and its suitability before it is planted.

To achieve Councils aim to enhance streetscapes to a standard which will strengthen both the individual residential and community streetscape amenity:

- The streetscape must be developed and determined in consultation with the streets residents, and as part of a much broader context taking the entire street tree population.
- Take into consideration the desirable and undesirable features of the street.

Councils Street Tree Policy will take into consideration other relevant policies and studies, e.g. the Corporate Plan, the Street Tree Strategy, Significant Tree and Garden Study. Register of Significant Trees of Victoria, etc.

Where a road improvement programme or similar works are being carried out by the Council or other statutory authorities, all trees affected should be marked on a plan and submitted to the Councils arboricultural representative. This plan should show whether the trees have to be removed, or if any pruning works are required. If any trees have to be removed Council will notify residents in writing 2 weeks prior to the removal of the tree(s). The plan should be considered at the same time as the whole of the project. When the project has been approved by the Council, the trees can be removed at the commencement of works without any further permission being sought. The cost of removing these trees and replacing them with new trees will be charged to the total cost of the development works.

2.5 Tree Planting

The planting of trees on naturestrips is an activity which is generally well received by residents and one for which Council receives much praise and very little criticism.

As specified in the Parks and Street Trees specification the Service Provider must supply and plant trees as required for:

- Replacement Planting
 - * All trees removed from streetscapes shall be replaced as soon as practicable, but no later than the following planting season, provided a suitable planting site is available. These plantings will take priority over requests for new plantings (see below).

- Request for Individual Street Tree Planting
 - * Individual trees requested by residents will be considered against the recommendations of the Street Tree Strategy, and assess for suitability. If deemed appropriate the request will be prioritised against other such requests, and works resulting from recommendations made in the Street Tree Strategy. The methodology for prioritisation will be determined in the Street Tree Strategy.

If a request is received by a resident, and is considered appropriate by Council, or a tree removed prior to 1 May, the (replacement) tree shall be planted in the forthcoming planting season (May to September). If a request is received between 1 May and 1 September, the tree will be planted in that planting season, provided planting resources and appropriate nursery stock are available (and contracted limits are not exceeded except by negotiation). Requests received after 1 September will be deferred until the planting season of the following year.

Whole street planting or streetscape rejuvenation planting will be undertaken as part of Councils capital works program, and in association with projects such as road repair and infrastructure development, where funding has been approved through the project budget. Capital Works proposals will be forwarded to all other relevant Council departments.

2.6 Planting Guidelines

All tree planting will be performed during the colder months of the year usually commencing in Autumn and continuing through Winter into early Spring (1 May to 30 September).

Selection of an appropriate planting site is a crucial factor in determining long term viability and cost effectiveness of a street tree. A poorly positioned tree has the potential to diminish the visual appeal of a streetscape, cause structural damage, become hazardous or require excessive spending on maintenance and pruning.

In all cases prior to planting, consideration shall be given to Powercor's *Your Guide to Tree Planting Near Powerlines*.

Planting sites should be chosen to comply with the existing streetscape while allowing for functional limitations imposed by the street environment.

Trees and shrubs as approved by Council to be used in street plantings shall be planted as follows:

- Where reasonable plant at least one tree in front of every property at a spacing of not more than 12 metres apart (this is intended to be the maximum default spacing and is subject to individual street characteristics), and as near as possible to the centre of the property boundary;
- Locate not closer than 2 metres to a fire hydrant or drainage pit;
- Deviate from power distribution company lead in wires by not less than 3 metres;
- Plant not less than 1 metre either side of a pedestrian gate;
- At a road intersection ensure a clear line of vision for traffic in all directions (taking into account the dimensions of the tree at maturity);

- Restrict planting close to trees established within private property which may interfere with the future growth of the new street tree;
- No planting over Telstra , gas or stormwater lead-ins; check meter, junction box and stormwater outlet positions;
- Trees should be located so as not to obscure views from a driveway crossover or road intersection, this can be done by having a clear trunk to 1.5 metres when the tree is planted.

Standardising of street tree spacing shall be regularly undertaken by interplanting with appropriate species so as to bring the general street plantings into line with current spacing policy, (as stated in clause 2.6.4) not more than 12 metres apart where feasible.

Plantings shall not be undertaken in the footpath of streets with a full width asphalt or concrete footpath less than 2 metres.

Council will generally seek to plant trees which are up to 3 metres in height and of semi-advanced stock. Where acceptable, the smallest available stock will be utilised, as such stock is likely to establish much more readily.

2.7 Establishment

Watering:

- The root system of newly planted trees have been severely damaged by the process of planting. It is essential that all newly planted trees are watered thoroughly immediately after planting . It is essential that all newly planted trees are regularly watered during their first two years of growth. It may be necessary to water the trees for more than the first two years after planting. This watering should be carried out on a regular basis throughout the summer growing period. The minimum period between watering should not exceed fortnightly if it is
- needed.

Shaping of the Young Trees:

- It is only in exceptional circumstances that a young or newly planted tree will grow in the form or shape that is required. It will be necessary for pruning and shaping work to be carried out on all young trees at some time during their growth period. This shaping can be for various reasons. These will include:
 - * Clearance around power lines.
 - * Height clearance over both paths and roadways.
 - * The encouragement of a good, healthy branch structures within the tree.
- If the branch structure of a tree is planned properly when it is young then many of the problems associated with street trees can be easily remedied in the future.

3. MAINTENANCE

3.1 General

Every endeavour should be made to maintain plantings in a safe and physically healthy condition.

Wire Clearances between tree foliage and power distribution company and private electricity wires will be maintained in accordance with the Code of Practice for Powerline Clearance (Vegetation) 1996.

In order to maintain the safety of pedestrian, travellers and vehicles travelling through the West Wimmera Shire trees will be maintained to the following clearances:

- 4.2 metres over carriageways;
- 4 metres over driveways; and
- between 2.5 – 3.0 metres over footpaths, pathways and naturestrips and private property.

These height clearances will apply to those trees that are well established and which would not be destroyed by this type of pruning. Exceptions are allowed for young trees which would be irreparably damaged by such pruning action.

Every property owner has a legal right to prune any vegetation which overhangs their property line. This right concerns private and public trees. No property owner or resident will be allowed to prune any material off Council trees outside of their property lines without the permission of an authorised Council Officer.

While upholding the right of residents and property owners to remove branches from Council trees overhanging their property, Council has appropriate expertise to carry out this work safely and effectively. Consequently it will place requests for the removal of such foliage as a high priority.

Notwithstanding the effective life of street plantings, every attempt should be made to protect established street trees against damage through works associated with underground services, road or footpath pavement reconstruction and general utility works within the root zone area of such trees.

3.2 Pruning

Once established, the major maintenance requirement of a tree is pruning.

The pruning of trees should be minimised as all pruning cuts are potentially injurious.

Trees should only be pruned to achieve specific goals which are listed below:

- Maintain public safety through the removal of structurally unsound limbs.
- Maintain tree health through the removal of dead or diseased limbs.

Modern arboricultural practices will be employed in all pruning work, and only suitably qualified personnel will undertake this type of work.

Sprout or sucker growth to be removed to a minimum height of 2.5 metres above the ground level. Exceptions are allowed for young trees which would be damaged by such pruning action.

3.3 Crown Lifting and Visibility Clearance

The removal and directional tip pruning of branches from street trees that are touching, may touch or obstruct signs, street lights or impede upon pedestrian or vehicle traffic.

Street trees shall be maintained to the following clearances:

- Street Names are to be visible from 50m in either direction.
- * Vehicles approaching an intersection (including driveways) must be visible to Pedestrians and other vehicles from the following distances:

Speed Limit (km/hr)	Distance (m)
40	40
50	60
60	80
80	120
100	180

- * Road signs must also be visible from the distances outlined above.

These works will only be carried out where clearance from the tree or trees is necessary or where growth from the tree or trees is likely to impede clearance requirements.

3.4 Overhead Service and Structure Clearance

This operation shall consist of reducing the height and/or spread of a street tree or hedge by not more than 25% and shall only be applied to trees when such work is necessary to control extended growth which may endanger overhead services lines, street lights or interfere with adjacent structures.

All wire clearance will be performed by appropriately qualified and experienced personnel. All work shall be performed in accordance to the Code of Practice for Powerline Clearance (Vegetation) 1996.

3.5 Pests and Diseases

The Service Provider in consultation with an appropriate Council Officer will formulate an emergency plan within 24 hours of an outbreak of disease or plague of pests threatening West Wimmera's tree population. The Service Provider will take immediate and effective measures to eliminate or contain major disease or pest outbreaks after an authorised Council Officer's approval of the emergency plan.

The Service Provider must provide affected residents and businesses with a minimum of two days advance written notice where chemical pest control is to be undertaken.

For all Pest and Disease outbreaks, an inventory and management record will be maintained by the Service Provider for Council using the appropriate technology. This will include a record of all chemical pest control undertaken.

Any Chemical treatment carried out on a tree for insect control or fungus control will be carried out with all due regard to public safety. As far as possible chemical treatments will only be used if there is no possible alternative available.

If Dutch Elm Disease should enter Australia and an outbreak occur within the municipality it is likely that, because of the extremely virulent nature of the disease that trees will be removed immediately. In such circumstances it may not be possible for the normal community consultation process to occur. However affected residents will be informed as soon as practicable. Treatment of Dutch Elm Disease will occur in co-operation within surrounding municipalities and the Department of Employment and Primary Industries.

3.6 Tree Surgery

Technically all pruning operations and any work that is done to a tree comes under the category of tree surgery. However, in this case it is only referring to corrective treatments and repair work to the branches or the trunk of a tree.

All major tree surgery work is expensive and for this reason tree surgery work will only be carried out on trees that are of high aesthetic and amenity value. It is necessary that the cost of the work involved be balanced against the amenity value of the tree before any work is commenced.

In the case of badly damaged trees, it will be necessary to decide whether the tree surgery should be carried out or whether the tree should be removed and replaced. The main type of tree surgery works carried out by Council include cable bracing and bolting.

- This treatment will be used where the branch structure of a tree has to be artificially reinforced. It will only be carried out to prevent extensive damage to a tree or to increase public safety. This type of treatment can only reinforce the strength of a tree and cannot hold a tree together that is in imminent danger of collapse.
- Maintenance of existing bracing and bolting requires annual inspection of hardware, and the Service Provider will be expected to keep an inventory of all such treatments within the municipality.

4. TREE ROOT MANAGEMENT

4.1 General

The potential for invasion of private property by tree roots is problematical in all tree plantings as is the potential for lifting of footpaths and road pavement surfaces by tree roots. This tree root growth is unpredictable and cannot be easily identified before it has become a problem. In the case of tree roots lifting a footpath, the requirements of public safety on the footpath will take precedence over the health of the tree.

Claims for damage alleged to have been caused by tree roots from trees in areas under the Councils ownership or control will be considered and liability determined in the context of Council's current Public Liability policy, and the issue of liability for any damage alleged to have been caused by Council owned trees will be decided in consultation with Councils insurer.

4.2 Tree Root Damage Claims

When a claim is received by Council for tree root damage, either verbally or in writing, the following procedures are in place.

When a claim is brought to the attention of the Service Provider the matter is investigated and a full report is prepared for Council's Insurance Officer. Under no circumstances will the report, or any other communication (verbal or written) offer an opinion as to Councils liability with respect to any damage claim.

Completed reports will be presented within 14 days of investigation. Reports will contain full details of site, photographs, recommendations for remedial works or recommendations to Council of requirements to have further investigation take place by other professionals with specific qualifications and experience. (This is essential where a claim is pending regarding damage to private property). Where a claim for an amount in damages in excess of \$1,000.00 is made, the claimant will be required to furnish supporting evidence to Council for consideration.

The original report is presented to Councils Insurance Officer, to be forwarded to Council's insurance company and a copy is kept by the Service Provider and a copy forwarded to Councils Parks Co-ordinator, and recorded for future reference.

Tree Root Damage investigation (where claims are estimated to be in excess of \$1,000.00) may comprise of:

- Having hard surfaces lifted to better ascertain the extent of radial root growth and How it corresponds to damage.
- Use of air knife (or other appropriate method) to remove soil to visually inspect root system.
- Root identification through other sources (eg; Agriculture Victoria Laboratories). Identification of roots is mandatory for all damage claims where such claim may result in damages in excess of \$5000.00. Identification of roots will be the responsibility of the claimant.

- Consult with geo and structural engineers.

Remedial work on trees allegedly causing tree root damage may include:

- Installation of tree root barrier (type and depth dependant on site conditions, type of damage and species of tree).
- Removal of tree (refer to tree removal criteria clause 5.3).

Where appropriate and practicable, lineal tree root barriers will be utilised and/or roots pruned to limit the extent and influence of Council tree roots on private property and its buildings and features. The installation of such barriers and the pruning of tree roots will only be undertaken provided the health and stability of the tree is not compromised.

These types of works are required on trees that through either radial root expansion or soil water loss via water uptake through roots that have damaged or threaten to damage either publicly or privately owned property. Trees that form part of a significant stand of trees, are of significant historical or botanical value will be considered for these types of works.

4.3 Tree Root Barrier Installation

Installation of a tree root barrier will not be construed as an admission of liability. A root barrier is installed in order to remove the potential for damage from Council owned trees. The depth and type of tree root barrier (moisture cut off wall) will be determined in consultation between the Service Providers Arboriculturist, and Councils Parks Co-ordinator, after investigation of site and consultation with appropriate professions where required.

Linear tree root barriers of High Density Polyethylene (HDPE), of depths between 300mm to 1200mm are considered and utilised dependant on site, type of damage and species of tree.

Reinforced concrete moisture cut off walls are considered and utilised dependant on site, type of damage and species of tree.

All underground services are identified prior to commencement of work.

The distance from trunks for root barrier installation take into account the critical root zone of any tree. A minimum distance requirement of 1.5m from the trunk to any trench.

Casaron (Dichlobenil), a root inhibitor is considered for use in the backfill, at the base of trenches and around services where it is felt appropriate.

4.4 Removal of Tree Roots

As much care should be taken when removing tree roots as when removing the branches of a tree. It is possible for disease to enter a tree through a wound in the roots as easily as it can enter a tree through a wound in a branch. When a root is removed from a tree the following steps should be taken:

- The root should be inspected and as little root removed as possible.

- The root should be removed as cleanly as possible and always in accordance with Current arboricultural practice.

After root pruning a record should be made of the work carried out. This record will be used to ensure that follow-up treatment of adequate fertilisation and pruning, if required, is carried out.

5. TREE REMOVAL

5.1 General

As trees in the urban environment create a lot of emotion in people, tree removal or the removal of trees in the townships is a contentious issue. However, it becomes necessary from time to time to remove trees for a variety of reasons. It must be remembered that trees are no more permanent than any other feature in a streetscape, and that they are living organisms with a finite functional life.

The present policy with regard to healthy street tree removal is that no tree shall be removed without the consent of an authorised Council Officer and this present policy will be continued.

If it is deemed that an aged and significant tree needs to be removed from public land in townships by Council employees or workers contracted by Council, then Council first receives a risk assessment (where appropriate) and a costing for the removal of the tree, before making a decision on the removal of the tree.

For definition purposes, “an aged and significant tree” be taken to mean “if in doubt, it should go through Council”.

Except in emergencies involving a perceived risk to the public, Council will notify residents in writing 2 weeks prior to the removal of any tree from a streetscape.

Where the Council has agreed to the removal of a tree, two weeks prior to that removal taking place, a letter will be dropped in the letter boxes of all the residents in the vicinity of the tree. This letter will state that work is going to be carried out to remove the tree and that if they have any queries and/or objections, that they can contact Council (an appropriate officer will be nominated in the letter) and obtain more details. All objections will be negotiated by a member of the Council staff.

In cases where trees are removed by authorities other than Council due to road widening works, laying of cables, drainage, etc., special provisions shall apply to ensure that replacement will not be at Councils cost.

When street tree(s) located on the proper alignment within the naturestrip or footpath require removal or are removed by any person or authority without Council authorisation, that person or authority shall be identified to Councils Street Environment Officer and will be required to meet the full cost of replacement (including the cost of the tree). The installation of any new crossover is such a case.

Where Council is considering the removal of any multiple street planting, or where Council is petitioned by residents for the removal of street plantings, or where an authorised Council Officer deems street plantings should be removed, an authorised Council Officer shall address the following factors to establish the Streetscape Evaluation Report:

- Reasons for removal;
- Contribution of the street planting to the streetscape;
- Maintenance costs of the tree in question;
- Potential for damage by tree roots to services (above and below ground);
- The overall health and condition of trees;
- Number of residents who approve/oppose the tree removals;
- Replacement planting type in relation to streetscape elements;
- Significance of the actual existing tree types (that is aesthetic as well as botanical Significance).

An authorised Council Officer will have authority for the removal of trees from Council streetscapes in accordance with the following guidelines:

- That Council is advised and that residents adjacent and opposite the tree removal site are consulted and provided with reason/s why the removal is necessary
- Residents will be given not less than 10 days to seek a report or make objection or comment;
- That removal of the tree/s complies with the tree removal criteria set out in clause 5.3;
- That in the event of an objection being received, the matter will be re-evaluated and all objectors consulted with prior to further action.

5.2 Tree Removal Applications

Requests are sometimes received from residents for the removal of a tree outside their property. The only requests that will be considered in detail are those that are received in writing. On receipt of the request the tree will be inspected and a report prepared. If in the opinion of an authorised Council Officer, there are no grounds for the removal of the tree then the person making the request will be informed.

Where there are good grounds for the removal of the tree or the person making the request is not satisfied with an authorised Council Officers response, then a report and recommendation will be prepared for consideration.

The process for tree removal applications will be as follows:

- A written request is received from a resident, owner or their agent.
 - Investigation of the request by the Service Provider and action decided in the context of the tree removal criteria contained within the Policy (refer to clause 5.3). A tree removal report will be prepared for Councils arboricultural representative who will have the authority to approve or reject the recommendation contained in the report, and may make modifications as appropriate.
 - In the event of approval of a recommendation for removal, affected residents would be circulated notice giving the reason for the intention to remove the tree/s and seeking their comment or objections and indicating the removal date of the tree/s.
 - In the event that objections are received from the community or a Councillor requests information concerning a removal, Councils arboricultural representative will re-evaluate the report and respond to the objector. If the objector is still dissatisfied with the decision the matter will be referred to executive management for consideration.
 - In the event that no objections are received, the tree will be removed on the date specified in the notice to the residents.
 - If the tree is recommended for removal on the basis of an unacceptable risk to public safety then the normal notification process need not be followed and immediate removal may proceed. Photographic or similar documented evidence of the hazard will be kept in all such cases.
- * It is imperative that tree removals are not undertaken prior to the expiry of the 10 day notice period.

5.3 Tree Removal Criteria

Council will only remove trees from its streetscapes if one or more of the following Criteria are met:

- The street tree is dead, dying, diseased, or sickly;
- The street tree is infected with an epidemic insect or disease where the recommended control is not applicable and removal is the recommended practice

To prevent transmission;

- The street tree poses an extreme public nuisance because of its species, size, location, attributes, or condition;
- The street tree interferes with the growth and development of a more desirable tree;
- The aesthetic value of the street tree within the specific site and overall uniformity of the streetscape, are so low or negative that the site is visually enhanced by the Trees removal;

- Work improvements required to be made around the street tree will kill or render the tree hazard;
 - Preservation of the street tree, when adjacent property is developed is not cost effective. The monetary value of the tree shall be compared to construction cost necessary to preserve the tree;
 - The street trees removal is required after investigation to facilitate the construction of a vehicle crossing into a property and there is no other viable choice. Cost of removal and replacement to be borne by the property developer; The street tree is not a significant or mature specimen;
 - The tree is alleged to be substantially responsible for damage occurring to public or private hardscape features and property and no viable other means can be identified which will address the damage and retain the tree e.g. the construction/installation of a root barrier would be detrimental to the health or stability of the tree, or an adjoining property owner/resident is not willing to co-operate with remedial works which may be considered necessary to save the tree;
- (Note: in this instance other factors such as the age of a building, changes in drainage or building conditions etc. have not been significant contributors to damage occurring.)**
- Repeated claims for damages from repair costs are likely to be more than the tree is worth.

5.4 Process for Tree Removal Assessment

A written request must be received by Council from resident owner or agent.

Upon inspection and assessment the street tree is found to fulfil one or more of the tree removal criteria (refer to clause 5.3).

If the tree is recommended for removal and does not pose any immediate safety hazard, and is not dead, affected residents would receive notification of the proposed removal date/s, and desired tree species (based upon predominant tree species where desirable) for replacement.

Written objection may be received from the public within 10 working days prior to the trees removal.

In the event that no objections are received the tree will be removed on the date specified in the notice to residents.

Tree removals will (as often as is practicable) be grouped together in lots.

5.5 Method of Tree Removal

Trees to be removed must be cut down to ground level. All removals must be undertaken in a safe manner and in line with current contractual arrangements and according to current arboricultural practice, and must at no stage endanger persons or property.

In every case where a tree is removed by Council the tree will be removed in its entirety to a level at least 150mm below ground level. To achieve this it may be necessary to use a stump grinder to grind out the root base of the tree.

Stumps will be barricaded off to alert the public to their existence. All underground services will be identified prior to stump removal being carried out. The site will be reinstated with topsoil and seeded, where appropriate, or levelled off and made safe where they are located in hard surface situations.

5.6 Dead Trees

Trees that have died through either natural or unnatural causes can soon become dangerous if they are not removed. Where there are such trees, the cause of death should be ascertained if possible so that corrective treatment can be carried out in the area and the tree should then be removed with the consent of an authorised Council Officer.

No report need be submitted to Council prior to the removal of such trees. However, a photographic record must be kept, and a copy supplied to Councils arboricultural representative.

5.7 Dangerous Trees

It is possible for trees to become dangerous through storm or vehicle damage, or decay may cause branches or the centre of the trunk to become weak. Where an inspection reveals that a tree is in a dangerous condition it should be removed immediately. Immediate removal is required in such cases to minimise the risk to a third party. Photographs should be taken of the tree before it is removed so that there is proof of the danger of the tree. A report should be prepared on reasons for the removal of the tree for an authorised Council Officer.

5.8 Trees Alleged to be Causing Structural Damage

That in the event of damage to Council or private property alleged to be caused by street tree roots, every attempt shall be made to repair such an area without causing damage to the tree. Tree removal under these circumstances shall be regarded as a final option.

5.9 Removals for Development

Where an application is made to remove a street tree for the installation of a new vehicle crossover, the guidelines for removal shall be the same as those in clause 5.3, except that a tree which is in good condition and suited to its location, may be removed provided that:

- No alternative site for the crossover is available.
- Affected residents have been notified in writing and have an opportunity to lodge an objection.
- A suitable replacement tree will be provided and maintained at the cost of the property owner (if an appropriate site is available).
- The cost of the removal and any associated works will be borne by the property owner/developer.

The following procedures are for the removal of trees for proposed vehicle crossings:

- Driveway application lodged with Councils Planning Department.
- If a street tree is affected by the proposed crossing and/or requires removal the Service Provider must be notified. Minimum distances are required between trees and crossings; tree centre to be no closer than 1.8 metres to closest edge of crossover. Exceptions to this regulated distance must be negotiated with Councils arboricultural representative.
- The tree must be assessed by an arboriculturist. Proposed removal of the tree will be documented in a tree removal report to be provided to Councils arboricultural representative.
- Interim response including costing and conditions, are sent to the developer.
- The proposed removal is recorded on the tree removal database (held by the Councils arboricultural representative). Residents are notified, using the following process:
 - * A letter is circulated with regard to the proposed removal, and 10 working days given to respond to the proposal. Removal is subject to resident objections being considered. If resident objection is received a report is produced for Council for its consideration and resolution;
 - * Residents are notified of removal date;
 - * Applicant is notified of approval to remove, accompanied by account for the costs involved;
 - * Account paid
 - * Tree removed;
 - * Stump removed;
 - * Tree listed for replanting during the following planting season.

Minimum distances required:

- A minimum distance for trenching along one side of a tree of 150mm for each 25mm of diameter at breast height (DBH). This would require a distance of 1.8m for a tree with a DBH of 300mm.
- The minimum distance of 1.5m from the trunk, of the tree to any proposed development. This will cover the majority of the trees within the Townships.
- If a tree has a DBH greater than 300mm an inspection of the tree will be required, by an arborist, to ascertain the size of the protection zone in each case.
- The larger the size and foliage density of a tree the greater the area is required to maintain basal integrity (stability).

5.10 Dispute Resolution

If objections are received the proposed removal will be suspended and the arboricultural representative or other appropriate officer will examine the objections on their individual merit and may in consultation with interested parties reach a final decision.

If it is likely that a dispute may develop the Councils arboricultural representative will refer the matter to Executive Management for resolution.

The Council Arboricultural Representative (or other appropriate officer) will advise the objector in writing of the decision and supply a contact number.

Township Tree Management Plan and Agreement

West Wimmera Shire Council and Powercor Australia



27.06.2014
V. 1.2

Contents

1. Purpose
2. Background
3. Scope
4. Method of Maintaining Clearances
5. Communication Strategy
6. Extent of Pruning
7. Standard of Pruning
8. Tree Removals by Powercor
9. Council Tree Planting Strategy

1. Purpose

The purpose of this Tree Management Plan is to inform Managers of Public Land situated in urban areas of pending tree clearing works where Powercor are responsible for the maintenance of the Powerline clearance space.

Powercor seeks to engage Public Land Managers who are responsible for management of tree assets, to identify areas or trees which warrant joint development of long term management plans. The plan will enable Public Land Managers to actively participate in the selection of the method of maintaining the Clearance Space.

2. Background

Powercor/Vemco met with West Wimmera Shire Council representatives on the 19.2.2013 and again on the 18.7.2013 regarding the Pruning/Removal of Council Trees or any nominated & agreed significant Trees owned by Council, in a Non Declared area or Private trees. This plan and agreement has been developed based on discussions at these meetings, community consultation and subsequent field assessments between Vemco staff & West Wimmera staff.

3. Scope

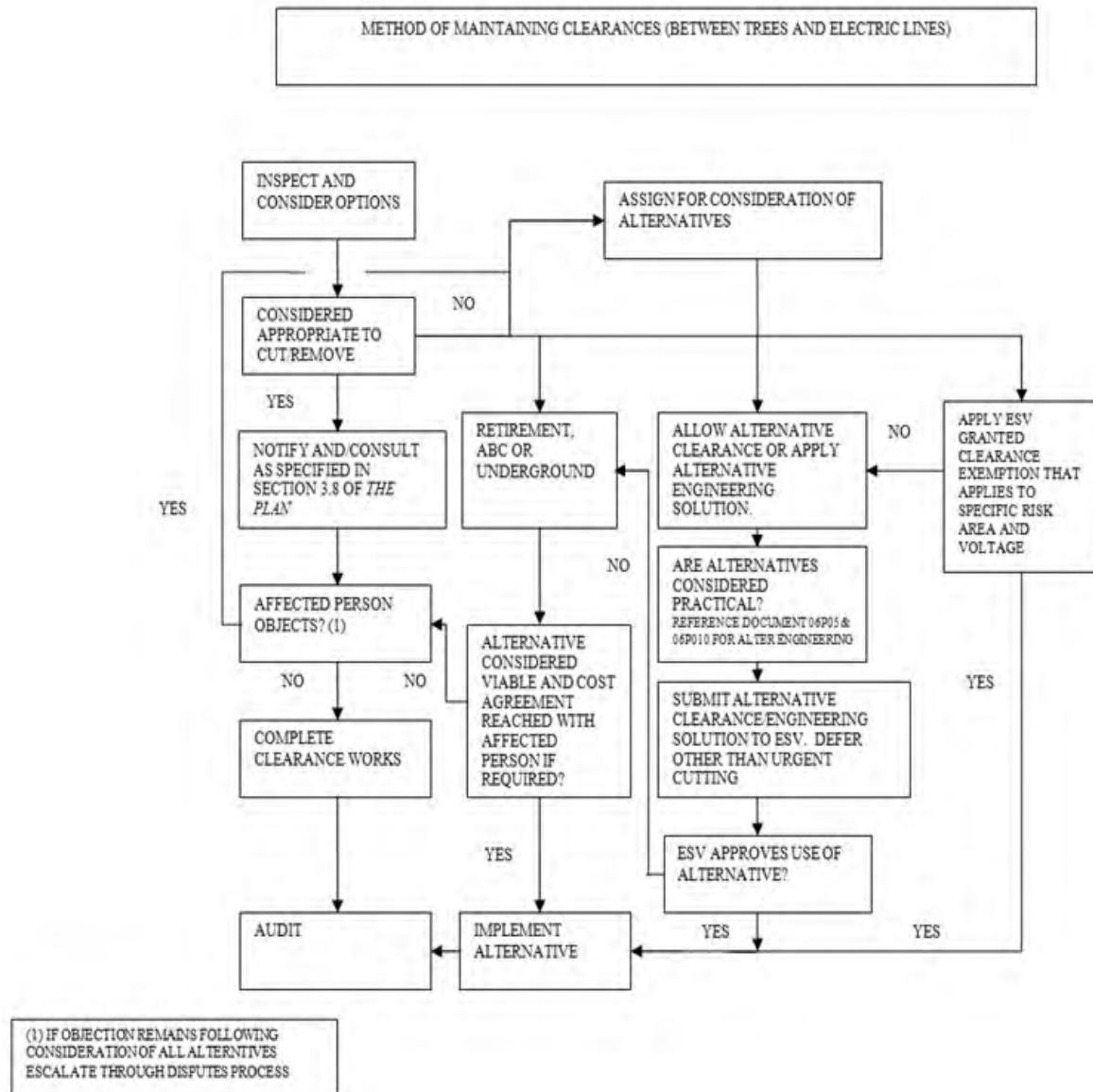
This plan is a documented agreement between Powercor and the West Wimmera Shire Council that outlines the responsibilities, agreed actions and future tree/powerline management for the significant trees, Private trees and other Council Trees within town boundaries of the WWSC Municipality. The Towns within the Municipality included in this plan are tabled below.

	Significant Trees Supplied	Council Trees Inspected	Private Trees Inspected
Non Declared Towns			
Kaniva	yes	yes	yes
Edenhope	yes	yes	yes
Goroke	no	yes	yes
Apsley	yes	yes	yes
Harrow	no	yes	yes
Lillimur	no	yes	yes
Serviceton	yes	yes	yes

4. Method of Maintaining Clearances

Alternatives to clearing may be raised for consideration. This may include, where appropriate vegetation covered by tree management plans. This vegetation will be treated as disputed work and managed as necessary under clause 6.2c of the Electrical Safety (Electrical Line Clearance Regulations) 2010.

The following flow chart outlines the process for maintaining clearances and managing alternative methods to obtain clearances that will maintain regulatory compliance.



5. Communication Strategy

To ensure the Council member and community are aware of the proposed works the following communication will be outworked:

- An advertorial regarding tree clearing will be placed in agreed local publication annually at Powercor's expense and council will be given opportunity to have input
- Council & Vemco will formally meet 6 monthly with one meeting per year to be an annual review, and to discuss pending Powercor Vegetation program,
 - Powercor will attend one meeting per year
 - A field review of pruning distances and regrowth will be conducted
- Program – Community & Vemco

The affected customers will be notified of all Private tree works at the time of inspection and prior to clearing.

Vemco agree to meet with members of the community as deemed necessary to address any potential community concerns. Council may request a community meeting if they believe it is necessary.

Planned Meetings

Post cutting works review Kaniva – 27.6.2014

6. Extent of Pruning

The extent of pruning Significant trees will be as per the description and listed site by site within the attached Significant tree list or determined in accordance with the process described in clause 2, Method of Maintaining Clearances.

The list attached contains trees deemed significant by the Council. It is recognised that this list is not definitive and Powercor may add trees deemed as significant by other parties such as the national trust etc.

Where alternative clearances per the process in clause 2 or attached plan are determined not to be viable, trees will be pruned to allow for regrowth. The following table contains a guide to the distances to be allowed for regrowth; all distances in the table must have clearance space distances per the Electricity Safety (Electric Line Clearance) Regulations 2010 added to the regrowth when assessing actual distance from conductor.

Regrowth Allowance*

Tree Species	Year 1 regrowth allowance	
	Under	Side
Large Eucalypt	1.5m	.5m
Small Eucalypt	1m	0.5m
Ash Trees	2m	1m
Pine Tree	1m	.5m

Clearance Space to be applied

The clearance around Insulated cables including ABC and Service wires may be cleared, however light contact may be allowed to remain. Post inspections, Vemco may apply modified clearances to specific spans where it is assessed to be inappropriate to clear to clearances within the Code. **Modified clearances** will be **200mm deducted** from each of the specified clearance values (see attached chart) for uninsulated LV and clearances for insulated cables will be as per the 2005 Code of Practice. Any other modified clearances may be considered and documented individually for Powercor's consideration.

Type of Powerline	Clearance Spaces			
	1	2	3	4
	Spans up to and including 30 metres	Spans exceeding 30 up to and including 45 metres	Spans exceeding 45 up to and including 70 metres	Spans exceeding 70 metres
Nominal voltage	In all directions			
Bare low voltage and additional safety measures	500 mm -200mm (300mm)	600 mm -200mm (400mm)	800 mm -200mm (600mm)	1500 mm -200mm (1300mm)

GUIDE:

Urban LBRA allowance for sag above exemption clearance.

Maximum sag @ 50% of Span = 500mm allowance on top of exemption clearance.

Therefore, outside near pole you would allow 100mm for each 10% of span up to midspan.

- 20% of span = 200mm
- 30% of span = 300mm
- 40% of span = 400mm
- 50% of span = 500mm.

1) Sag and Sway

a. For foliage below conductors 500mm sag allowance is to be made mid span

b. For foliage beside the line 30mm per meter is to be allowed for swaying of the conductors. Sway calculation commences at the pole.

If in the opinion of the inspector Sag and Sway allowances are excessive for site conditions refer to RVM for clarification

MINIMUM CLEARANCE SPACES SURROUNDING A POWERLINE – Urban LBRA areas Aerial Bundled Cable or Insulated cable - Low Voltage

1. Clearance space

a. Foliage less than 10mm in diameter in contact with conductor that will not abrade insulation is not required to be pruned.

b. Existing branches are not required to be removed annually, if the existing branches exceed 130 millimetres in diameter and are more than 300 millimetres from the aerial bundled cable or insulated cable.

All trees that are in hard contact or likely to abrade the conductor insulation are required to be pruned.

Table 3:10.2 Modified clearance spaces as per the Schedule to the Code of Practice (table 10.2) of the Electrical Safety (Electrical Line Clearance Regulations) 2005.

7. Standard of Pruning

- All pruning will be conducted in accordance with past practice or best arboricultural methods practical. Structural branches will not be removed without specific consultation with the tree owner.

8. Tree Removals by Powercor

- Powercor may recommend the removal of Council trees to the Council where the minimum trimming is deemed inappropriate. In these cases Powercor will gain consent through the Council consultation and formal agreement of the work instructions submitted by Powercor after inspection is completed.
- Private trees may be removed in accordance with the negotiations following consultation with owners.
- The tree owner will be responsible for the removal of any remnant stump as a result of any tree removal by Powercor

9. Council Tree Planting Strategy

- Council agree they will only plant trees under/adjacent to powerlines that, at mature height, cannot encroach the clearance space applicable at the time of planting unless the tree planting is required to maintain an existing Avenue of honour.
- Council agree to discuss with Powercor any planned tree planting as part of the maintenance of an Avenue of honour.

PLAN EXECUTED

SIGNED for and on behalf of
POWERCOR AUSTRALIA LTD

by

.....
Signature

.....
Name (printed)

Date:

SIGNED for and on behalf of
Council by

.....
Signature

.....
Name (printed)

Date:



West Wimmera Shire Council Rating Strategy

JULY 2018

ANDREA GASH

Content

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DRAFT

1. Introduction

To ensure the Local Government Act rating objectives of equity and efficiency are achieved, it is important that West Wimmera Shire Council has a rating strategy in place that is transparent to the community and reviewed periodically as part of the budget process.

The important matters to be considered in relation to the Rating Strategy include:

- The legislative framework (Section 2)
- What rates and charges can be declared (Section 3)
- The rate base (Section 4)
- Uniform or differential rates (Section 5)
- Impact of Council revaluations and supplementary valuations (Section 6)
- The Municipal Charge (Section 7)
- Waste collection (Section 8)
- Rebates and concessions (Section 9)
- Exempt properties (Section 10)
- Collections (Section 11)

1.1 What is a Rating Strategy?

A *rating strategy* is the method by which council systematically considers factors of importance that inform its decisions about the rating system. The rating system determines how Council will raise money from properties within the municipality. It does not influence the total amount of money to be raised, only the share of revenue contributed by each property. The rating system comprises the valuation base and actual rating instruments allowed under the *Local Government Act 1989* (The Act) to calculate property owners' liability for rates.

The Act requires Councils to exercise sound financial management. In particular, The Act states that the principals of financial management are to:

- a) Manage financial risks faced by Council prudently having regard to economic circumstances;
- b) Pursue spending and rating policies that are consistent with a reasonable degree of stability of rates effort;
- c) Ensure that decisions are made and actions are taken having regard to their financial effects on future generations;
- d) Ensure full, accurate and timely disclosure of financial information relating to Council.

The Council articulates its objectives, strategies and activities through community consultation and the development of key documents such as:

- The Council Plan
- The Budget and Strategic Resource Plan

Generally Councils can fund their activities through revenue (including rates), grants and borrowing. As rates are a significant part of Council's revenue, a rating strategy is a key element in the Council exercising sound financial management.

1.2 Objectives of the Strategic Resource Plan

When considering the rating strategy, Council needs to meet the objectives set out in the Strategic Resource Plan (Council's four year financial plan, which is updated annually).

- Maintain the existing range and level of service provision;
- Maintain sufficient cash and liquid assets to ensure Council remains financially sustainable in the long-term;
- Maintain debt levels below prudential guidelines;
- Continue to pursue recurrent grant funding for strategic capital funds from the state and federal government;
- Ensure critical renewal is funded annually over the timeframe of the Strategic Resource Plan.

2. Rating – the Legislative Framework

The purpose of this section is to outline the legislative framework in which Council has to operate in constructing its rating system and the various issues that Council must consider in making its decision on the rating objectives.

2.1 Objectives

The legislation specifies a number of major objectives for the rating system:

- the equitable imposition of rates and charges;
- a reasonable degree of stability in the level of the rates burden;
- contribute to the equitable and efficient carrying out of its functions; and
- apply principles of financial management, simplicity and transparency.

Let it be acknowledged that some of these objectives can conflict.

The two objectives which the rating system must have the greatest regard to are the achievement of equity and efficiency.

2.1.1 Equity

Having determined that Council must review its rating strategy in terms of the equitable imposition of rates and charges, it is a much more vexed question in terms of how to define and determine what is in fact equitable in the view of the Council.

Rates are essentially a wealth tax, determined on the value of property. A pure "wealth tax" approach implies that the rates paid relate directly to the value of a ratepayer's real property. The tests of horizontal and vertical equity are solely based on property value.

There is some debate surrounding the characteristics of property owners that may impinge on the application of an equity principle. The three main ways in which positions can vary are:

- the *benefit or user pays* principle – some groups have more access to, make more use of, and benefit from more, specific council services;
- the *capacity to pay* principle – some ratepayers have more ability to pay rates than others with similarly valued properties; and
- the *incentive or encouragement* principle – some ratepayers may be doing more towards achieving council goals than others in areas such as environmental or heritage protection.

The Benefit Principle

A popular complaint levelled at councils is that “the rates I pay have no correlation with the services I consume or the benefits I receive”. This argument is based on the benefit principle (the opposite of the wealth tax principle) that argues there should be a nexus between consumption/benefit and the rate burden.

Application of the benefit principle is difficult in practice because of the complexity and, in some cases, impossibility, of measuring the relative levels of access and consumption across the full range of council services, in some ways the arguing of the benefit principle with respect to council rates is like trying to do the same for the income tax that is used to fund a wide range of universally accessed services.

It is likely to be costly to regularly undertake in-depth analyses on service access, consumption patterns and costs in order to attempt to review the level of benefit. In any event, many subjective assumptions would have to be introduced. Other pricing instruments such as user charges, special rates and charges and service rates and charges better lend themselves to dealing with the issue of benefit.

Capacity to Pay

Council can make choices about the tax treatment of classes of real property in so much as they believe that a class of property will reflect the financial position of a household or business and its capacity to pay.

While personal income tax is more reflective of the capacity to pay, it is not possible to expect a property tax system to deal practically with all aspects of capacity to pay based on individual households and businesses. It is also not practical or acceptable to shift, modify or manipulate the existing system to the benefit of one group of ratepayers at the expense of another unless such shift is widely accepted and for a proper purpose. In fact, Local Government has no mandate or ability to universally apply a “capacity to pay” test.

2.1.2 Efficiency

Efficiency can be directly related to the cost of administering the rates system. Administration costs include the issuing of assessments, collection of rates, including maintaining and improving collection systems, monitoring outcomes, educating and informing ratepayers, and enforcement and debt recovery. It also includes the maximization of additional rate income through supplementary valuations by ensuring the timeliness and accuracy of amended rate notices.

West Wimmera Shire Council utilises a general (uniformed) rate. Council considers this will contribute to the equitable and efficient carrying out of its functions.

2.2 Anomalies with Property Taxation

Property taxes do not recognise the situation where ratepayers are “asset rich” and “income poor”. In these cases ratepayers may have considerable wealth reflected in the property they own but have a low level of income. Examples may include pensioners, businesses subject to cyclical downturn, households with large families and property owners with little equity. In a commercial sense the argument has also been expressed in terms of the ability of property to generate a reasonable return.

2.3 Recent legislative changes

2.3.1 Fair Go rates System

The Local Government Amendment (Fair Go Rates) Bill 2015 was introduced in October 2018 and amends The Act and the *Essential Service Commission Act 2011* to provide for a mechanism to set a cap on the increases in rate revenue that can be levied by Council in a financial year and to make consequential amendments.

The State Government introduced the Fair Go rates System (FGRS) from the 2016/17 financial year, which sets out the maximum amount councils may increase rates in a year. For the 2018/19 financial year the FGRS was set at 2.25%. The cap also applies to both general and municipal charges and is calculated on the basis of council's average rates and charges.

The formulae provided by the Essential Service Commission (ESC) and agreed to by the State Government is:

$$\frac{2016/17 \text{ Adopted General Rate and Municipal Charge Income} + 2016/17 \text{ Annualised Supplementary Rate and Municipal Charge income}}{\text{Number of Assessments as at 30 June 2017}}$$

Number of Assessments as at 30 June 2017

= Base Average Rate

Base Average Rate x (1 + Prescribed Rate Cap (2.25%))

= Maximum allowable Capped Average Rate

In situations where the rate cap is not sufficient for Council's needs, Council can apply to the ESC for a higher cap; this is known as a variation.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the West Wimmera community.

West Wimmera applied for and received a variation to the cap from the Minister for Local Government for the 2017/18, 2018/19, 2019/20 and 2020/21 financial years. Council may raise rates and municipal charges by up to 3.5% over this period. In the 2017/18 year, Council raised rates by 3.25% and 3.5% for the 2018/19 year.

2.3.2 Fire Services Property Levy

From 1 July 2013, the Victorian Government introduced a property based levy to fund the Metropolitan Fire and Emergency Services Board (MFB) and the Country Fire Authority (CFA).

The Fire Services Property Levy replaced the existing insurance-based funding model as recommended by the Victorian Bushfires Royal Commission.

Under the property-based levy:

- councils collect the levy through rates notices;
- the levy is calculated based on the capital improved value of a property;
- the levy consist of a fixed component plus a variable component calculated as a percentage of capital improved property values;
- the fixed component will vary for residential properties and non-residential properties; and
- the variable rate will vary for different property types such as residential, industrial, commercial and primary production.

The Fire Services Property Levy is shown separately on rate notices.

In accordance with the *Fire Services Property Levy Act 2012*, any person may apply for an exemption from the fire services levy fixed charge for farm land under the “single farm enterprise” criteria.

It is important to note that Council is not raising any additional revenue from the levy; it is simply acting as a collection agency on behalf of the State Government.

3. What Rates and Charges may Council declare?

Section 155 of The Act provides that Council may declare the following rates and charges on rateable land:

Rating option	Description	Current structure
General rate	A general rate is applied to all properties and can be set as either a uniform rate or a number of differential rates.	West Wimmera Shire Council applies a general uniform rate.
Uniform rate	A uniform rate is a single rate in the dollar that is applied to the value of all properties in the municipality.	West Wimmera Shire Council applies a general uniform rate.
Differential rates	Differential rates are different rates in the dollar that are applied to different classes of properties and are permitted if the Council uses Capital Improved Value as the rating valuation base. The Act allows the use of differential rates if the Council considers that this will contribute to the equitable and efficient carrying out of its functions.	West Wimmera Shire Council does not apply differential rates.
Municipal charge	A municipal charge to cover some of the administrative costs of the Council. This is a flat-rate charge applied to all properties	West Wimmera Shire levies a municipal charge.
Service rates and charges	Service rates or annual service charges (or a combination of both) can be levied for collection and disposal of waste	West Wimmera Shire provides a kerbside collection of garbage and recycling materials for an annual charge
Rebates and concessions	The Act allows Councils to grant a rebate or concession in relation to any rate or charge for eligible recipients	A Government rate rebate for pensioners is provided to each owner of rateable land who is an "eligible recipient"
Special Rates and charges	A special rate or charge may be declared for purposes of: <ul style="list-style-type: none"> • Defraying any expenses or • Repaying with interest any advance made or debt incurred or loan raised by Council 	West Wimmera Shire Council does not levy any special rates and charges

In previous years, Council developed a Draft Rating Strategy exploring various options regarding differential rates for residential properties and farms. Council determined that a simple formula of a general (uniform) rate has worked well in the past and would continue to apply this method.

4. Determining which valuation base to use

The purpose of this section is to outline the different methods that Council can utilise to value land and the issues that Council must consider in making its decision on the valuation method.

Three methods of valuing land are allowed under the Act:

- Site Value (SV) – Value of land only
- Net Annual Value (NAV) – rental valuation based on Capital improvement Value (CIV). For residential and farm properties, NAV is calculated at 5 per cent of the CIV. For commercial properties NAV is calculated as the greater of the estimated annual rental value or 5 per cent of the CIV.
- Capital Improved Value (CIV) – value of land and improvements upon the land

West Wimmera Shire Council use Capital Improved Value (CIV) for rating valuation purposes.

4.1 Capital Improved Value

CIV is the most commonly used valuation method by Victorian Local Government with most councils applying this methodology. Based on the value of both land and all improvements on the land, it is relatively easy to understand by ratepayers as it equates to the market value of the property.

The advantages of using CIV include:

- CIV includes all improvements and hence is often supported on the basis that it more closely reflects 'capacity to pay'. The CIV rating method takes into account the full development value of the property, and hence better meets the equity criteria than site value or NAV.
- The concept of the market value of property is far more easily understood with CIV rather than NAV or Site Value.
- The use of CIV base offers greater flexibility in developing rating packages, enabling Council to pursue particular objectives through the application of differential rates.
- The Fire Services Property Levy is calculated on the CIV and continued use of this reinforces the principle of calculating rates based on CIV.

The major disadvantage with CIV, and indeed all the other rating methods, is that rates are based on the property value which may not necessarily reflect the income level of the property owner as with pensioners and low income earners.

4.2 Site Value

This method places value on the land only and does not consider any value of buildings constructed on the land. It is not considered to result in the most equitable distribution of the rate effort.

There is no Victorian Council that currently uses this valuation base.

4.3 Net Annual value

In concept, NAV represents the annual rental value of a property. However, in practice, NAV is closely linked to capital improved value. For residential properties the Valuers derive the NAV directly as 5% of the CIV.

Where a council utilises NAV, it may only apply three differential rates.

5. Determining the rating System – uniform or differential

The purpose of this section is to outline the two rating systems (uniform or differential) that Council can utilise to apply rates and the issues that Council must consider in making its decision on the rating system.

5.1 Uniform rate

If a Council declares that general rates will be raised by application of a uniform rate, the Council must specify a percentage as a uniform rate. A uniform rate will apply to the Capital Improved Value of every rateable property within the municipality.

Rates will be determined by multiplying the percentage (the rate in the dollar) by the value of the land.

5.2 Differential rate

Differential rating allows particular classes of properties to be assessed rates at different levels from the general rate set for the municipality. Differential rating allows Council to shift part of the rate burden from some groups of ratepayers to others, through different 'rates in the dollar' for each class of property.

6. The impacts of revaluations and supplementary valuations

The purpose of this section is to provide an overview of the rate revaluation process and issues that arise from this process.

The State Government legislated and introduced its "Valuation Best Practice" program which requires all Victorian councils under the *Valuations of Land Act 1960* to conduct property valuations every two years. Commencing 2017, valuations are required every year.

Property values are determined by a qualified Valuer comparing each property to the recent sales figures of similar properties in the neighbourhood. The key factors are location, land size, type of house and condition.

The Valuer General of Victoria is responsible for reviewing the total valuation of each municipality for accuracy before certifying that the valuations are true and correct. Valuations are conducted using Best Practice Guidelines formulated and published by the Valuer General Victoria.

6.1 No windfall gain

There is a common misconception that if a property's valuation rises then Council receives a "windfall gain" with additional income. This is not so as the revaluation process results in a redistribution of the rate burden across all properties in the municipality. Any increase to total valuations of the municipality is offset by a reduction to the rate in dollar (ad valorem rate) used to calculate the rate for each property. Total income is fixed each year as part of the budget process. Council only seeks to increase the total amount of revenue required in order to account for CPI, wage and other service costs imposed upon it.

6.2 How does this affect my rates?

The general revaluation process enables Council to re-apportion the rate income across the municipality in accordance with movements in property values. Properties which have increased in value by more than the average will receive a rate increase of more than the headline rate.

Properties with an increase in value less than the average will receive a rate increase less than the headline rate.

Property owners have the ability to object to the valuation within 2 months of receiving their notice.

6.3 Supplementary Valuations

In accordance with the *Valuation of Land Act 1960* further valuations are required to be carried out between General Revaluations, which are known as Supplementary Valuations.

Supplementary Valuations are completed when properties are physically changed by buildings being erected, demolished or altered, when properties are amalgamated, subdivided, portions sold off, rezoned or roads constructed.

Supplementary Valuations are adopted to bring the value of properties into line with values assigned to other properties in the municipality. This is to ensure that as near as practicable the rating valuation reflects the current property condition at the date prescribed for the General Revaluation.

7. Municipal Charge

In addition to differential rates, Council may declare a municipal charge to cover some of the administrative costs of Council. The total revenue from a municipal charge must not exceed 20% of the sum of total of general rates and municipal charge combined in a financial year.

The application of a municipal charge represents a choice to raise a portion of rates by a flat fee for all properties rather than sole use of the CIV valuation method.

West Wimmera currently levies a municipal charge on all rateable properties. This charge is used by Council to ensure all properties contribute equally toward contributing to a portion of Council's administrative costs.

7.1 Advantages of a Municipal Charge

The arguments in favour of a Municipal Charge are that they apply equally to all properties and are based upon the recovery of fixed costs of providing administrative services irrespective of valuation. The same contribution amount per assessment to cover a portion of Council's administrative costs can be seen as an equitable method of recovering these costs.

7.2 Disadvantages of a Municipal Charge

The argument against a municipal charge is that this charge is regressive in nature and would result in lower valued properties paying higher overall rates and charges.

8. Waste collection charge

West Wimmera Shire Council provides a waste collection service that is charged to residents via an annual service charge. Waste collection is a compulsory charge in the Township zone with improvements, i.e. houses and businesses. The waste collection revenue covers the direct costs of providing the service, but not indirect costs such as supervision, office administration and other overheads.

Waste Management Strategy

Waste minimisation may be viewed as an important council objective. Councils are increasingly looking at their roles in terms of broader environmental responsibilities and sustainability. If council considers that waste minimisation is an important objective it follows that ratepayers should be made aware of the significant costs involved. Specific charges are the best means of providing transparency.

Over the past decade, there has been a significant development in Federal and State waste minimisation and landfill policy and regulations. These include the *Environment Protection (Resource Recovery) Act*, *Environment Protection (Amendment) Bill*, *Landfill Environment Protection Policy* and the *Local Government (Amendment) Act*, all of which aim to:

- Reduce waste going to landfill;
- Form Regional Waste Management Groups to formulate waste management policy and controls;
- Ensure that municipal landfills are operated in an environmentally friendly manner; and
- To empower the EPA to approve and monitor regional waste management plans.

The implementation of these legislative requirements will change the nature of waste management operations and controls within the West Wimmera Shire. Council needs to constantly monitor the costs associated with the waste management service to ensure cost recovery is at the desired level, after taking into account the waste management service charge levied.

Council is facing ongoing challenges with the increasing costs associated with recycling.

9. Rebates and Concessions

Under The Act, Council has the power to grant a rebate or concession in relation to any rate or charge to eligible recipients.

The granting of rebates and concessions results in a higher rate effort being applied to other properties to raise the same level of rate revenue.

State Government Pensioner Rebate

Pensioners may qualify for a maximum 50% State Government Rebate (to a gazetted maximum) for the home in which they are living. A rebate will also apply for the Fire Services Property Levy. To be eligible, a ratepayer must hold one of the following concession cards:

- Pensioner Concession Card from Centrelink or Veterans Affairs
- Gold Card from Department of Veterans Affairs specifying War Widow (WW) or Total and Permanently Incapacitated (TPI).

Other than administrative costs, this State Government Rebate Scheme is cost neutral to Council as this is fully funded by the State Government.

Council does not grant any further rebates or concessions than those afforded by the State Government Pensioner Rebate Scheme.

10. Properties Exempt from Rates

Section 154 of The Act declares that all land is rateable with a number of exemptions, including land occupied for municipal purposes, land used exclusively for charitable, education or religious purposes. Certain clubs and memorials are also non-rateable. Legal precedent has determined that charitable uses include those providing health services, education, religion and services to the needy.

Application for exemption from rating may be made at any time during the financial year and will be assessed based on the usage of the property. Council does not generally allow for any retrospective claims.

During 2009, The Act was amended to allow Council to grant a rebate or concession in relation to any rate or charge, to support the provision of affordable housing, to a registered agency.

11. Collections

The purpose of this section is to outline the rate payment options and processes, the support provided to ratepayers facing hardship and the issues that Council must consider in making its decision when reviewing these payment options and hardship provisions with fairness, compassion, confidentiality and compliance with statutory requirements.

11.1 Liability to Pay Rates

The owner of the land is liable to pay the rates and charges on that land. In certain cases, the occupier, mortgagee or licensee holder is liable to pay the rates.

The Act declares the rate or charge, interest or costs to be a first charge upon the land, when the land is sold; ensuring Council receives the outstanding monies prior to the discharge of any mortgage and/or charges on the land.

11.2 Payment Dates for Rates

Council, in accordance with The Act must allow for the payment of rates by four instalments per annum. Council may allow a person to pay a rate or charge in a single lump sum payment. The single lump sum payment option is due 15 February of each year and mandatory instalment payments are required at the end of September, November, February and May.

11.3 Payment Methods

Council offers a range of payment options including BPay, BpayView, internet via www.westwimmera.vic.gov.au, mail, telephone, over the counter services at Council Customer Service Centres or Australia Post agencies.

Council incurs costs of collection via agency and merchant service fees.

The Act provides that incentives for prompt payment may be offered by Council for payment of rates and charges before the due dates.

West Wimmera Shire Council does not offer incentives for payment of rates and charges before the due date.

11.4 Late Payment of Rates

Council has determined that the application of interest penalties will be in accordance with The Act, which allows interest to be imposed on unpaid rates at the statutory rate.

Council cannot apply an alternative rate but has the power to exempt any person from paying the whole or part of any interest amount generally or specifically payable.

11.5 Debt Recovery - Collection of Overdue Rates

Council makes every effort to contact ratepayers at their correct address but it is the ratepayers' responsibility to properly advise Council of their contact details. Amendments to The Act require both the vendor and buyer of property, or their agents (e.g. solicitors), to notify Council by way of notices of disposal and acquisition respectively.

In the event that an account becomes overdue, Council has established procedures and guidelines for the collection of the debt. This creates a consistent approach to debt collection and ensures that all ratepayers are treated equally and fairly.

In the event that the account remains unpaid, Council may take legal action without further notice to recover any overdue amount. All fees and court costs are recoverable from the ratepayer. If an amount payable by way of rates in respect to land has been in arrears for three years or more, Council may sell the land in accordance with Section 181 of The Act.

The purpose of the policy is to act as a genuine deterrent to ratepayers who might otherwise fail to pay rates on time, to allow Council to recover the administrative cost of following up unpaid rates and to recover any interest cost the Council may incur due to lost investment opportunities. The principle in providing for such penalty is that ratepayers who pay within the required timeframe should not have to subsidise or bear any cost of ratepayers who default in payment.

11.6 Rates Assistance

Council acknowledge that some ratepayers will experience difficulty from time to time in meeting rate payments due to the effect of rising valuations, cost of Council services and personal circumstance. Council further understands that relief measures have a cost to Council.

Ratepayers can elect to be placed on an 'arrangement' that spreads their rate payment over an agreed period. Such a plan may see a ratepayer paying an agreed amount per month. Interest is still charged at the statutory rate for all outstanding rates.

Ratepayers can also elect to defer their rates if they are faced with financial hardship. An Application for Deferment may only be made for a residential property that is the principal place of resident of the applicant.

Waiver of rates

The Act permits the waiving of rates or charges on the grounds of financial hardship. A resolution of Council stating the objectives to be achieved by the waiver is required. West Wimmera Shire Council does not allow waiving of rates but provide support via payment arrangements.

Waiver of interest

Councils' hardship policy does permit the waiving of interest under certain circumstances. The waiver of any interest may apply to that interest already incurred on overdue rates and charges and/or withholding of any future interest that would be incurred.

Interest waivers fall under three categories which are:

- a) Administrative waiver – Ratepayers may have interest only waived in the event of an administrative issue, error or omissions which caused or significantly contributed to the failure to pay rates in a timely manner.
- b) Waiver on compassionate grounds – Ratepayers may have interest only waived where they have demonstrated compassionate grounds for a payment being late. Acceptable compassionate grounds would generally relate to family illness or death.
- c) Financial Hardship waiver – Ratepayers may have interest only, or part thereof, waived where they have demonstrated that the payment of such interest would cause severe financial hardship.

DRAFT

Document Control

Author	RecFind Ref	Date adopted	Version	Review date
Robert Rattray	12/010804	15 December 2011	1	June 2015
Nick Templeton	15/002143	18 June 2015	2	June 2018
Andrea Gash	18/002749		3	June 2021

DRAFT

**West Wimmera Shire Council
DRAFT ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2018

West Wimmera 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 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

Andrea Gash
Principal Accounting Officer

Date : <Date>

Edenhope

In our opinion the accompanying financial statements present fairly the financial transactions of West Wimmera Shire Council for the year ended 30 June 2018 and the financial position of the Council as at that date.

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

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

Jodie Pretlove

Councillor

Date : <Date>

Edenhope

<Councillor 2 Name>

Councillor

Date : <Date>

Edenhope

David Leahy

Chief Executive Officer

Date : <Date>

Edenhope

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Comprehensive Income Statement For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Income			
Rates and charges	2.1	7,239	7,001
Statutory fees and fines	2.2	147	143
User fees	2.3	665	543
Grants - operating	2.4	6,849	8,825
Grants - capital	2.4	12,287	8,626
Contributions - monetary	2.5	498	219
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	2.6	120	188
Fair value adjustments for investment property	5.4	-	-
Share of net profits (or loss) of associates and joint ventures	5.3	37	(12)
Other income	2.7	4,135	3,325
Total income		31,977	28,858
Expenses			
Employee costs	3.1	6,902	6,726
Materials and services	3.2	18,408	11,401
Depreciation and amortisation	3.3	6,649	6,409
Impairment Expenses	3.7	-	2,808
Bad and doubtful debts	3.4	-	2
Borrowing costs	3.5	8	11
Other expenses	3.6	303	333
Total expenses		32,269	27,691
Surplus/(deficit) for the year		(292)	1,167
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	5.2	54,040	-
Share of other comprehensive income of associates and joint ventures	5.3	(18)	31
Consolidation of Cemetery Trusts	5.4	-	117
Total comprehensive result		53,730	1,315

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

Balance Sheet As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	10,538	13,521
Trade and other receivables	4.1	584	904
Other financial assets	4.1	1,100	-
Inventories	4.2	252	325
Non-current assets classified as held for sale	5.1	14	14
Other assets	4.2	65	158
Total current assets		12,552	14,922
Non-current assets			
Trade and other receivables	4.1	180	-
Investments in associates, joint arrangements and subsidiaries	5.3	430	412
Property, infrastructure, plant and equipment	5.2	220,717	164,591
Total non-current assets		221,328	165,003
Total assets		233,880	179,925
Liabilities			
Current liabilities			
Trade and other payables	4.3	2,408	2,091
Trust funds and deposits	4.3	32	68
Provisions	4.5	2,112	2,126
Interest-bearing liabilities	4.4	34	130
Total current liabilities		4,586	4,415
Non-current liabilities			
Provisions	4.5	309	222
Interest-bearing liabilities	4.4	-	34
Total non-current liabilities		309	256
Total liabilities		4,895	4,671
Net assets		228,985	175,254
Equity			
Accumulated surplus		34,476	37,619
Reserves	8.1	194,509	137,635
Total Equity		228,985	175,254

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

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

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018					
Balance at beginning of the financial year		175,254	37,619	136,091	1,544
Surplus/(deficit) for the year		(310)	(310)	-	-
Net asset revaluation increment/(decrement)		54,040	-	54,040	-
Transfers to other reserves	8.1	-	565	-	(565)
Transfers from other reserves	8.1	-	(3,399)	-	3,399
Balance at end of the financial year		228,985	34,476	190,131	4,377

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017					
Balance at beginning of the financial year		173,940	36,152	136,091	1,697
Surplus/(deficit) for the year		1,315	1,315	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	8.1	-	876	-	(876)
Transfers from other reserves	8.1	-	(723)	-	723
Balance at end of the financial year		175,254	37,619	136,091	1,544

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

Statement of Cash Flows For the Year Ended 30 June 2018

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		7,245	7,000
Statutory fees and fines		147	157
User fees		800	257
Grants - operating		6,849	8,825
Grants - capital		12,287	8,626
Contributions - monetary		498	219
Interest received		224	214
Trust funds and deposits taken		-	33
Other receipts		3,930	3,096
Net GST refund/(payment)		(138)	123
Employee costs		(6,829)	(6,483)
Materials and services		(18,109)	(10,795)
Trust funds and deposits repaid		(36)	-
Net cash provided by/(used in) operating activities	8.2	6,868	11,272
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(8,756)	(6,413)
Proceeds from sale of property, infrastructure, plant and equipment		142	234
Payments for investments		(1,100)	-
Net cash provided by/(used in) investing activities		(9,714)	(6,179)
Cash flows from financing activities			
Finance costs		(8)	(11)
Repayment of borrowings		(130)	(124)
Net cash provided by/(used in) financing activities		(138)	(135)
Net increase (decrease) in cash and cash equivalents		(2,984)	4,958
Cash and cash equivalents at the beginning of the financial year		13,521	8,563
Cash and cash equivalents at the end of the financial year	4.1	10,538	13,521
Financing arrangements	4.6		
Restrictions on cash assets	4.1		

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

Statement of Capital Works For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Property			
Land improvements		256	29
Total land		256	29
Buildings		390	144
Total buildings		390	144
Total property		646	172
Plant and equipment			
Plant, machinery and equipment		844	991
Fixtures, fittings and furniture		22	47
Total plant and equipment		866	1,038
Infrastructure			
Roads		4,075	4,772
Bridges		351	235
Footpaths and cycleways		3	128
Drainage		73	63
Total infrastructure		4,502	5,198
Total capital works expenditure		6,014	6,408
Represented by:			
New asset expenditure		285	70
Asset renewal expenditure		5,377	6,046
Asset upgrade expenditure		352	292
Total capital works expenditure		6,014	6,408

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

OVERVIEW

Introduction

The West Wimmera Shire Council was established by an Order of the Governor in Council on 20th January 1995 and is a body corporate.

The Council's main office is located at 49 Elizabeth Street, Edenhope, Vic 3318.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of employee provisions (refer to Note 4.5)

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

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 25 August 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Income				
Rates and charges	7,245	7,239	(6)	
Statutory fees and fines	115	147	32	
User fees	582	665	83	
Grants - operating	8,815	6,849	(1,966)	1
Grants - capital	9,960	12,287	2,327	2
Contributions - monetary	611	498	(113)	3
Net gain/(loss) on disposal of property, infrastructure, plant	90	120	30	
Fair value adjustments for investment property	-	-	-	
Share of net profits/(losses) of associates and joint ventures	-	37	37	
Other income	2,214	4,135	1,921	4
Total income	29,632	31,977	2,345	
Expenses				
Employee costs	6,750	6,902	(152)	
Materials and services	8,295	18,408	(10,113)	5
Depreciation and amortisation	7,270	6,649	621	
Borrowing costs	6	8	(2)	
Other expenses	327	303	24	
Total expenses	22,648	32,269	(9,621)	
Surplus/(deficit) for the year	6,984	(292)	11,966	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	Operating grants in the 2017-18 year were down to budget due to no prepayment of the VGC allocation and the prepayment of the 2017-18 allocation in June 2017.
2	Grants - capital	Capital grants were higher in the 2017-18 year due to additional funding to assist with flood recovery works.
3	Contributions - monetary	Contributions for 2017-18 are below budget predominantly due to the Edenhope Hall and the Harrow Rec Reserve projects still being in the planning phase, and therefore grant funding not received.
4	Other income	Roadworks reimbursements from VicRoads were \$1.6M higher than budgeted, as a result of a higher level of works undertaken than anticipated. Interest was also \$100K higher than budget due to astute investment of Council funding throughout the year.
5	Materials and services	Materials and services show a significant variance to budget of \$10.1M, much of which can be attributed to flood recovery operations, in contract payments and materials and services. Expenditure for consultants was also \$97K over budget, with consultants being utilised on various areas such as Human Resources (\$40K unbudgeted), Town Planning (\$29K over budget), Health Administration and Inspection (\$17K unbudgeted) and Recruitment costs (16K unbudgeted).

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Property				
Land improvements	-	256	256	1
Total Land	-	256	256	
Buildings	1,758	390	(1,368)	2
Total Buildings	1,758	390	(1,368)	
Total Property	1,758	646	(1,112)	
Plant and Equipment				
Plant, machinery and equipment	821	844	23	
Fixtures, fittings and furniture	130	22	(108)	3
Total Plant and Equipment	951	866	(85)	
Infrastructure				
Roads	10,593	4,075	(6,518)	4
Bridges	270	351	81	
Footpaths and cycleways	50	3	(47)	
Drainage	110	73	(37)	
Parks, open space and streetscapes	1,097	-	(1,097)	5
Total Infrastructure	12,120	4,502	(7,618)	
Total Capital Works Expenditure	14,829	6,014	(8,815)	
Represented by:				
New asset expenditure	747	285	(462)	
Asset renewal expenditure	13,368	5,377	(7,991)	
Asset upgrade expenditure	714	352	(362)	
Total Capital Works Expenditure	14,829	6,014	(8,815)	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land improvements	Land Improvements involves Playground projects which were initially budgeted under Parks, opens spaces and streetscapes. These activities were not complete at 30 June 2018, however, it is anticipated these works will continue in 2018-19.
2	Buildings	There were a number of building projects associated with the Kaniva Wetlands project, which were budgeted for the 2017-18 year, however, these projects are still in the early stages with works continuing in the 2018-19 year. Similarly, the Edenhope Hall was budgeted for the 2017-18 year, however as this project is still in the planning phase it is likely that the project will commence in earnest in 2018-19.
3	Fixtures, fittings and furniture	A number of Information Technology items were budgeted for in 2017-18, which were not complete at 30 June. These items include GPS Survey equipment renewal, PC and server and system renewals all of which expect to be implemented in the 2018-19 year.
4	Roads	Flood recovery works of \$5.6M were included in the capital works program for 2017-18, however the nature of the works has resulted in the flood works being categorised as an operational expense, as evidenced by the large expenditure variances in the Income Statement. There are also a number of projects associated with the Kaniva Wetlands, which are yet to fully commence, while a further \$1M in works were not complete at 30 June and have been carried over for completion in 2018-19.
5	Parks, open space and streetscapes	There are a number of large projects currently being undertaken by Council all of which are either yet to commence or awaiting completion. These projects include the Kaniva Wetlands, Goroke Little Desert Nature Playspace, Lake Wallace Foreshore and the West Wimmera Recreational Trails. It is anticipated that these activities will continue in 2018-19, with many nearing completion in late 2018.

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

Note 2 Funding for the delivery of our services
2.1 Rates and charges

2018
\$'000

2017
\$'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 current market value determined by Council's contract valuer.

The valuation base used to calculate general rates for 2017/18 was \$1,777.33 million (2016/17 \$1,777.19 million).

General Rates	6,340	6,129
Municipal charge	416	405
Waste management charge	483	467
Total rates and charges	7,239	7,001

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

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

2.2 Statutory fees and fines

Animal management	31	34
Building fees	38	38
Permits	16	16
Town planning fees	35	29
Infringements and costs	1	2
Other	26	25
Total statutory fees and fines	147	143

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

2.3 User fees

Community service user charges	246	211
Private and contract works	239	150
Refuse disposal fees	43	52
User charges	19	20
Caravan park fees	27	23
Other fees and charges	92	87
Total user fees	665	543

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

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

	2018 \$'000	2017 \$'000
2.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	17,625	15,918
State funded grants	1,512	1,532
Total grants received	19,137	17,450
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	5,281	7,434
CHSP Programs	345	329
Recurrent - State Government		
HACC Programs	127	131
Preschool operating	252	225
Maternal and child health	184	179
Pest and weed control	112	67
Preschool cluster management	31	29
Supported Parent Groups and Playgroups	41	-
Senior citizens	14	14
Youth initiatives	22	20
Other	28	27
Total recurrent operating grants	6,437	8,453

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

	2018 \$'000	2017 \$'000
Non-recurrent - State Government		
Harrow Recreation Reserve - Sustainable Water Fund	17	69
Kaniva Leor Netball Court 2016/17 (DHS)	-	51
Community Planning Grant (VASP) (DEPI)	-	25
Public Health Projects - Mosquito management	-	37
Kaniva Hub	45	150
Fire Services Levy Implementation Grant	40	39
Apsley Recreation Reserve Amenities Upgrade	10	-
Lake Charlegrark Precinct Development	300	-
Total non-recurrent operating grants	413	371
Total operating grants	6,849	8,825
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,183	2,155
Total recurrent capital grants	2,183	2,155
Non-recurrent - Commonwealth Government		
Flood Recovery (NDRRA)	9,750	6,000
Goroke Little Desert Nature Playspace	66	-
Non-recurrent - State Government		
Fire Access Road Subsidy Scheme (FARRS)	13	58
Kaniva crossing upgrades	-	95
Solar Power Shire Building	5	5
Goroke Little Desert Nature Playspace	-	86
Feders Collins Rd (Graincorp)	-	200
West Wimmera Recreational Trails Strategy	-	27
Lillimur Stn Rd	250	-
VMS Trailer (TAC Road Safety Grant)	20	-
Total non-recurrent capital grants	10,105	6,471
Total capital grants	12,287	8,626
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	407	407
Received during the financial year and remained unspent at balance date	277	407
Received in prior years and spent during the financial year	219	407
Balance at year end	466	407

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

2.5 Contributions

Monetary	498	219
Total contributions	498	219

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

2.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	142	234
Written down value of assets disposed	(22)	(46)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	120	188

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

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

	2018 \$'000	2017 \$'000
2.7 Other income		
Reimbursements - Vic Roads	3,412	2,222
Quarry operations	241	423
Interest	224	214
Reimbursements - other	68	169
Insurance refunds	26	79
Rent	68	42
Fuel tax refund	49	37
Other	47	138
Total other income	4,135	3,325

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.

Note 3 The cost of delivering services

3.1 Employee costs

Wages and salaries	6,113	5,926
WorkCover	109	134
Superannuation	607	586
Fringe benefits tax	73	80
Total employee costs	6,902	6,726

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	70	68
Employer contributions - other funds	-	-
	70	68
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	262	236
Employer contributions - other funds	276	282
	537	518
Employer contributions payable at reporting date.	-	-

Refer to note 8.3 for further information relating to Council's superannuation obligations.

3.2 Materials and services

Contract payments	14,125	8,766
Plant and equipment maintenance	842	673
Utilities	373	328
Office administration	62	62
Information technology	130	133
Insurance	338	310
Consultants	178	42
Other materials and services	2,361	1,088
Total materials and services	18,408	11,401

3.3 Depreciation

Property	778	749
Plant and equipment	869	791
Infrastructure	5,002	4,868
Total depreciation	6,649	6,409

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

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

	2018 \$'000	2017 \$'000
3.4 Bad and doubtful debts		
Rates debtors	-	-
Other debtors	-	2
Total bad and doubtful debts	-	2
Movement in provisions for doubtful debts		
Balance at the beginning of the year	53	91
New Provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	(38)
Balance at end of year	53	53
Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.		
3.5 Borrowing costs		
Interest - Borrowings	8	11
Total borrowing costs	8	11
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
3.6 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	31	39
Auditors' remuneration - Internal	6	11
Councillors' allowances	145	146
Operating lease rentals	70	85
Others	50	52
Total other expenses	303	333
3.7 Impairment Expenses		
Infrastructure impairment loss	-	2,808
	-	2,808
Note 4 Our financial position		
4.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	1	1
Cash at bank	6,037	4,288
Term deposits	4,500	9,232
Total cash and cash equivalents	10,538	13,521
(b) Other financial assets		
Term deposits - current	1,100	-
Total other financial assets	1,100	-
Total financial assets	11,638	13,521
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 4.3)	32	68
- Unspent Grants (Note 2.4)	466	407
- Cemetery Trust funds (Note 5.4)	160	137
Total restricted funds	658	612
Total unrestricted cash and cash equivalents	9,880	12,909
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	3,246	561
- Cash held to fund long service leave provision	1,456	1,368
- Other discretionary reserves	4,377	1,544
Total funds subject to intended allocations	9,080	3,472
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.		
Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.		

	2018 \$'000	2017 \$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	249	255
Provision for doubtful debts - rates	(55)	(53)
Other debtors		
- Sundry Debtors	355	540
- GST Receivable	26	164
- Employee Superannuation	1	(1)
Loans and advances to community organisations	10	-
Provision for doubtful debts - other debtors	(2)	(2)
Total current trade and other receivables	<u>584</u>	<u>904</u>
Non-current		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	180	-
Total non-current trade and other receivables	<u>180</u>	<u>-</u>
Total trade and other receivables	<u>764</u>	<u>904</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.

(a) Ageing of Receivables

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

Current (not yet due)	486	487
Past due by up to 30 days	48	10
Past due between 31 and 180 days	1	1
Past due between 181 and 365 days	5	3
Past due by more than 1 year	5	39
Total trade & other receivables	<u>545</u>	<u>540</u>

4.2 Non-financial assets	2018	2017
(a) Inventories	\$'000	\$'000
Inventories held for distribution	252	325
Total inventories	252	325

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments	43	53
Accrued income	22	106
Total other assets	65	158

4.3 Payables

(a) Trade and other payables

Trade payables	1,856	1,945
Accrued Salaries	129	144
Accrued expenses	423	2
Total trade and other payables	2,408	2,091

(b) Trust funds and deposits

Refundable deposits	3	31
Refundable Trust Kaniva Rotary Club	15	15
Refundable Trust Newlands Lake restoration	3	3
Refundable Trust Lake Wallace committee proceeds	2	2
Refundable Trust Edenhope skateboard park fund	1	1
Fire services levy	7	16
Total trust funds and deposits	32	68

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

Purpose and nature of items

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

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

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

4.4 Interest-bearing liabilities

Current

Borrowings - secured (1)	34	130
	34	130

Non-current

Borrowings - secured (1)	-	34
	-	34

Total	34	164
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(1) Borrowings are secured by a lien over Council's rate revenue

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

Not later than one year	34	130
Later than one year and not later than five years	-	34
	34	164

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

4.5 Provisions

	Annual Leave	Long Service Leave	Rostered Days Off	Time in Lieu	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2018					
Balance at beginning of the financial year	816	1,368	63	42	2,288
Additional provisions	448	163	191	61	863
Amounts used	(410)	(130)	(196)	(63)	(799)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	14	56	-	-	70
Balance at the end of the financial year	867	1,456	59	40	2,422
2017					
Balance at beginning of the financial year	766	1,290	63	45	2,164
Additional provisions	460	110	198	61	830
Amounts used	(426)	(71)	(198)	(65)	(759)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	15	38	-	-	54
Balance at the end of the financial year	816	1,368	63	42	2,288

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

	2018	2017
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12		
Annual leave	585	563
Long service leave	133	105
Rostered Days off	59	63
Time In Lieu	40	42
	817	773
Current provisions expected to be wholly settled after 12		
Annual leave	282	252
Long service leave	1,014	1,040
	1,296	1,293
Total current employee provisions	2,112	2,066
Non-current		
Long service leave	309	222
Total non-current employee provisions	309	222
Aggregate carrying amount of employee provisions:		
Current	2,112	2,066
Non-current	309	222
Total aggregate carrying amount of employee provisions	2,422	2,288

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

Annual leave, rostered days off and time in lieu

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

	2018	2017
	\$'000	\$'000
(b) Other Provisions		
Current - Provision for termination payment	-	60
	-	60

4.6 Financing arrangements

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

Bank overdraft	2,000	2,000
Credit card facilities	16	16
Total facilities	2,016	2,016
Used facilities	-	-
Unused facilities	2,016	2,016

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

4.7 Commitments

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

	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
2018					
Operating					
Caravan park caretaker	21	21	32	-	74
Cleaning of Council buildings	203	209	209	-	621
Consultancies	68	-	-	-	68
Garbage collection	74	-	-	-	74
Meals for delivery	68	57	-	-	125
Recycling	71	-	-	-	71
Service of transfer station bins	73	-	-	-	73
Street cleaning services	147	144	164	-	454
Swimming pool management	79	75	8	-	162
Total	804	506	413	-	1,723
Capital					
Plant and equipment	128	-	-	-	128
Total	128	-	-	-	128

	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
2017					
Operating					
Caravan park caretaker	9	-	-	-	9
Cleaning of Council buildings	203	203	203	-	608
Garbage collection	153	64	-	-	217
Flood Recovery Works	6,400	-	-	-	6,400
Meals for delivery	68	68	57	-	194
Recycling	73	73	-	-	145
Service of transfer station bins	67	-	-	-	67
Street cleaning services	144	144	144	-	431
Swimming pool management	77	7	-	-	83
Valuation services	114	-	-	-	114
Total	7,307	558	403	-	8,268
Capital					
Flood Recovery Works	2,808	-	-	-	2,808
Plant and equipment	189	-	-	-	189
Total	2,997	-	-	-	2,997

	2018 \$'000	2017 \$'000
Operating lease commitments		

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

Not later than one year	13	83
Later than one year and not later than five years	9	75
Later than five years	-	-
	21	159

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

Note 5 Assets we manage

5.1 Non current assets classified as held for sale

Fair value of land held for resale	14	14
Total non current assets classified as held for sale	14	14

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

5.2 Property, infrastructure, plant and equipment
Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2017 \$'000	Additions \$'000	Asset Impairment \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	At Fair Value 30 June 2018 \$'000
Land	3,077	72	-	-	(125)	-	-	-	3,024
Buildings	14,999	133	-	-	(653)	-	-	1	14,481
Plant and equipment	3,391	866	-	-	(655)	(256)	(45)	-	3,300
Infrastructure	143,052	3,927	2,808	54,040	(5,002)	-	-	-	198,825
Work in progress	72	1,016	-	-	-	-	-	(1)	1,087
	164,591	6,014	2,808	54,040	(6,435)	(256)	(45)	-	220,717

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	37	441	-	(1)	477
Plant and equipment	27	-	-	-	27
Infrastructure	8	575	-	-	583
Total	72	1,016	-	(1)	1,087

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Land & land improvements		
land	-	5
land improvements	6 - 50 years	5
Buildings		
buildings	30 - 120 years	5
building and leasehold improvements	30 - 120 years	5
Plant and Equipment		
plant, machinery and equipment	3 - 40 years	1
fixtures, fittings and furniture	3 - 10 years	1
computers and telecommunications	3 - 10 years	1
Infrastructure		
road pavements and seals	17 - 75 years	5
road substructure	75 years	5
road formation and earthworks	75 years	5
road kerb, channel and minor culverts	50 - 70 years	5
bridges deck	35 - 80 years	5
bridges substructure	35 - 80 years	5
footpaths and cycleways	25 - 50 years	5
drainage	70 - 80 years	5

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

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land & Land Improvements \$'000	Heritage buildings \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2017	953	66	3,110	4,129	59	30,570	1,213	31,841	37	36,007
Accumulated depreciation at 1 July 2017	-	-	(1,052)	(1,052)	(47)	(16,223)	(572)	(16,842)	-	(17,894)
	953	66	2,058	3,077	12	14,347	641	14,999	37	18,114
Movements in fair value										
Additions	-	-	72	72	-	133	-	133	441	646
Transfers	-	-	-	-	-	-	1	1	(1)	-
	-	-	72	72	-	133	1	134	440	646
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	(125)	(125)	(1)	(629)	(23)	(653)	-	(778)
	-	-	(125)	(125)	(1)	(629)	(23)	(653)	-	(778)
At fair value 30 June 2018	953	66	3,182	4,201	59	30,703	1,214	31,976	477	36,653
Accumulated depreciation at 30 June 2018	-	-	(1,177)	(1,177)	(48)	(16,851)	(595)	(17,495)	-	(18,671)
	953	66	2,005	3,024	10	13,852	619	14,481	477	17,982

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

(b) Plant and Equipment

	Motor vehicles	Plant & Equipment	Fixtures fittings and furniture	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	584	7,468	1,364	27	9,443
Accumulated depreciation at 1 July 2017	(204)	(4,569)	(1,251)	-	(6,024)
	380	2,899	113	27	3,418
Movements in fair value					
Additions	168	675	22	-	866
Disposal	(138)	(118)	-	-	(256)
Write-off	-	(45)	-	-	(45)
	30	512	22	-	565
Movements in accumulated depreciation					
Depreciation and amortisation	(117)	(711)	(40)	-	(869)
Accumulated depreciation of disposals	70	143	-	-	214
	(47)	(568)	(40)	-	(655)
At fair value 30 June 2018	614	7,980	1,386	27	10,008
Accumulated depreciation at 30 June 2018	(251)	(5,138)	(1,291)	-	(6,680)
	363	2,843	95	27	3,328

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

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	202,399	4,147	4,205	14,807	8	225,566
Accumulated depreciation at 1 July 2017	(70,954)	(1,858)	(792)	(8,902)	-	(82,506)
	131,445	2,289	3,413	5,905	8	143,060
Movements in fair value						
Additions	3,576	351	-	-	575	4,502
Revaluation	62,636	-	-	-	-	62,636
Reversed impairment losses	2,808	-	-	-	-	2,808
	69,021	351	-	-	575	69,946
Movements in accumulated depreciation						
Depreciation and amortisation	(4,655)	(54)	(84)	(208)	-	(5,002)
Revaluation	(8,597)	-	-	-	-	(8,597)
	(13,252)	(54)	(84)	(208)	-	(13,598)
At fair value 30 June 2018	271,419	4,498	4,205	14,807	583	295,512
Accumulated depreciation at 30 June 2018	(84,206)	(1,912)	(876)	(9,110)	-	(96,104)
	187,213	2,586	3,329	5,697	583	199,408

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.

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Mr Ian Wilson, Contract Valuer, Australian Property Institute Member 7297. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date of the current valuation is detailed in the following table. A full revaluation of these assets was conducted in 2017/18.

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

	Level 1	Level 2	Level 3	Date of Valuation
Land	-	66,000	-	Jan-16
Specialised land	-	-	952,900	Jan-16
Land Improvements	-	-	1,961,024	Jan-16
Heritage Buildings	-	-	10,476	Jan-16
Buildings - specialised	-	-	13,851,736	Jan-16
Buildings - non specialised	-	-	617,731	Jan-16
Total	-	66,000	17,393,867	

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Mr Des White, Adv Dip E.T. Local Government Engineering, and Mr Peter Maloney of Maloney Asset Systems Pty Ltd.. The condition assessment and valuation of roads was done by Mr Peter Moloney of Moloney Asset Management Systems.

The date of the current valuation is detailed in the following table.

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

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

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	187,213	Apr-18
Bridges	-	-	2,586	Jun-14
Footpaths and cycleways	-	-	3,329	Jun-14
Drainage	-	-	5,697	Jun-14
Total	-	-	198,825.17	

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 30% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions.

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 is calculated on a square metre basis and ranges from \$350 to \$1,700 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 40 years to 60 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 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2018 \$'000	2017 \$'000
Reconciliation of specialised land		
Municipal Office Land	103	103
Waste Disposal Land	116	116
Community Services Land	84	84
Infrastructure and Works Operations Land	325	325
Recreational and Sundry Council Land	326	326
Total specialised land	953	953

	2018 \$'000	2017 \$'000
5.3 Investments in associates		
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	354	364
- Wimmera Development Association	76	48
Wimmera Regional Library Corporation		
<i>Background</i>		
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting.		
Council's interest in equity	12.34%	12.41%
Fair value of Council's investment in Wimmera Regional Library Corporation	354	364
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	150	161
Reported surplus(deficit) for year	8	(24)
Transfers (to) from reserves	(20)	(1)
Distributions for the year	15	14
Council's share of accumulated surplus(deficit) at end of year	152	150
Council's share of reserves		
Council's share of reserves at start of year	214	196
Transfers (to) from reserves	20	1
Change in share	(32)	17
Council's share of reserves at end of year	202	214
Movement in carrying value of specific investment		
Carrying value of investment at start of year	364	357
Share of surplus(deficit) for year	8	(24)
Change in equity share apportionment	(18)	31
Carrying value of investment at end of year	354	364
Wimmera Development Association		
<i>Background</i>		
Council's investment in the Wimmera Development Association is based on the equity method of accounting.		
Council's interest in equity	7.76%	7.76%
Fair value of Council's investment in Wimmera Development Association	76	48
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	31	24
Reported surplus(deficit) for year	29	12
Transfers (to) from reserves	(6)	(6)
Council's share of accumulated surplus(deficit) at end of year	53	31
Council's share of reserves		
Council's share of reserves at start of year	17	11
Transfers (to) from reserves	6	6
Council's share of reserves at end of year	23	17
Movement in carrying value of specific investment		
Carrying value of investment at start of year	48	36
Share of surplus(deficit) for year	29	12
Carrying value of investment at end of year	76	48
Total Investment in Associates		
Wimmera Regional Library Corporation	354	364
Wimmera Development Association	76	48
	430	412

5.3 Investments in associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Note 5.4 Committees of Management

The Council is the Committee of Management for the Edenhope, Goroke and Kaniva Cemeteries. The assets and liabilities of the Committees have been included in Council's financial statement and are summarised below:

	2018 \$'000	2017 \$'000
(a) Edenhope Cemetery		
Assets		
Current assets		
Cash and cash equivalents	45	37
Total Current assets	45	37
Net Assets	45	37
Income		
Fees and Charges	28	32
Total Income	28	33
Expenses		
Other Materials & Services	20	29
Total Expenses	20	29
Surplus(Loss) for period	8	4
(b) Goroke Cemetery		
Assets		
Current assets		
Cash and cash equivalents	13	7
Total Current assets	13	7
Net Assets	13	7

Note 5.4 Committees of Management cont'd

	2018 \$'000	2017 \$'000
(b) Goroke Cemetery (cont'd)		
Income		
Fees and Charges	17	4
Total Income	<u>17</u>	<u>4</u>
Expenses		
Other Materials & Services	11	3
Total Expenses	<u>11</u>	<u>3</u>
Surplus(Loss) for period	<u>6</u>	<u>1</u>
 (c) Kaniva Cemetery	 \$'000	 \$'000
Assets		
Current assets		
Cash and cash equivalents	102	93
Total Current assets	<u>102</u>	<u>93</u>
Net Assets	<u>102</u>	<u>93</u>
Income		
Interest received	2	2
Fees and Charges	35	35
Total Income	<u>37</u>	<u>38</u>
Expenses		
Other Materials & Services	27	24
Total Expenses	<u>27</u>	<u>24</u>
Surplus(Loss) for period	<u>9</u>	<u>14</u>

	2018 No.	2017 No.
Note 6 People and relationships		
6.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
West Wimmera Shire Council is the parent entity.		
<i>Subsidiaries and Associates</i>		
Interests in subsidiaries and associates are detailed in Note 5.3.		
(b) Key Management Personnel		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors		
Councillor Bruce Meyer (Mayor 1 July 2017 to 29 October 2017)		
Councillor Jodie Pretlove (Mayor 1 November 2017 to 30 June 2018)		
Councillor Trevor Domaschensz		
Councillor Richard Hicks		
Councillor Tom Houlihan		
Total Number of Councillors	5	9
Chief Executive Officer and other Key Management Personnel	4	4
Total Key Management Personnel	9	13
(c) Remuneration of Key Management Personnel		
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	674	725
Post-employment benefits	47	52
Long-term benefits	12	15
Total	733	792
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	1	3
\$10,000 - \$19,999	-	5
\$20,000 - \$29,999	4	-
\$30,000 - \$39,999	1	1
\$130,000 - \$139,999	-	2
\$150,000 - \$159,000	1	-
\$160,000 - \$169,999	1	1
\$200,000 - \$209,999	1	1
	9	13
(d) Senior Officer Remuneration		
A Senior Officer is an officer of Council, other than Key Management Personnel, who:		
a) has management responsibilities and reports directly to the Chief Executive; or		
b) whose total annual remuneration exceeds \$145,000		
The number of Senior Officers are shown below in their relevant income bands:		
	2018 No.	2017 No.
Income Range:		
\$90,000 - \$99,999	1	1
	1	1
Total Remuneration for the reporting year for Senior Officers included above, amounted to	67,049	95,732

6.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into a lease agreement for grazing land with a pastoral partnership of which Cr Bruce Meyer is a partner. The lease was awarded after a public tender process.

(b) Outstanding balances with related parties

There were no balances outstanding at the end of the reporting period in relation to transactions with related parties.

(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 as follows:

2018	2017
\$'000	\$'000
Nil	Nil

(d) Commitments from related parties

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

Nil	Nil
-----	-----

Note 7 Managing uncertainties

7.1 Contingent assets and liabilities

(a) Contingent assets

There were no contingent assets at 30 June 2018.

(b) Contingent liabilities

Superannuation

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.

7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

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

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

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

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

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

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

Leases (AASB 16) (applies 2019/20)

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

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

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

7.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 7.1(b).

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

(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:

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 4.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.0% and -1.0% in market interest rates (AUD) from year-end rates of 2.8%.

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

7.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 3 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

7.5 Events occurring after balance date

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

Note 8 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation by an associate \$'000	Balance at end of reporting period \$'000
8.1 Reserves				
(a) Asset revaluation reserves				
2018				
Property				
Land	724	-	-	724
Land Improvements	198	-	-	198
Buildings	9,485	-	-	9,485
	10,407	-	-	10,407
Infrastructure				
Roads	115,391	54,040	-	169,431
Bridges	576	-	-	576
Footpaths and cycleways	5,809	-	-	5,809
Drainage	3,909	-	-	3,909
	125,684	54,040	-	179,724
Total asset revaluation reserves	136,091	54,040	-	190,131
2017				
Property				
Land	724	-	-	724
Land Improvements	198	-	-	198
Buildings	9,485	-	-	9,485
	10,407	-	-	10,407
Infrastructure				
Roads	115,391	-	-	115,391
Bridges	576	-	-	576
Footpaths and cycleways	5,809	-	-	5,809
Drainage	3,909	-	-	3,909
	125,684	-	-	125,684
Total asset revaluation reserves	136,091	-	-	136,091

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

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2018				
Plant replacement	406	50	-	456
Crabtree trust	17	0.4	-	17
Quarry restoration	107	3	-	109
Capital improvement	287	7	-	294
Rates revaluation	166	73	(4)	235
Elections	-	20	-	20
Carried Forward project Reserve	561	3,246	(561)	3,246
Total Other reserves	1,544	3,399	(565)	4,377
2017				
Plant replacement	339	67	-	406
Crabtree trust	27	1	(11)	17
Quarry restoration	104	3	-	107
Capital improvement	280	7	-	287
Rates revaluation	95	75	(4)	166
Elections	76	9	(85)	-
Kindergarten operation	61	2	(62)	-
Carried Forward project Reserve	714	561	(714)	561
Total Other reserves	1,697	723	(876)	1,544

8.1 Reserves (cont'd)

Description of nature and purpose of each of Council's discretionary reserves are:

The Plant Replacement is funded by the Plant Operating Surplus and is maintained to replace all major items of Plant and Equipment but excludes utility and fleet replacements.

Crabtree Trust Reserve was bequeathed to Council to provide funds for the upgrade of facilities at the Lake Charlegrark Reserve.

The Quarry Restoration Reserve was generated via a charge against the sale price of quarry stocks that was retained to restore the quarry sites to natural levels once quarrying has ceased. There have been no further charges (other than nominal interest) generated for this reserve since the 1997/98 financial year as the retained reserve is considered adequate to undertake restoration works.

Capital Improvement Reserve is generated via transfers from Surplus Funds from time to time as determined by Council for use on any significant capital infrastructure projects.

Rates Revaluation Reserve provides funds to undertake each property revaluation for rating purposes every two years.

The Elections Reserve provides funds to undertake Council Elections every 4th year.

The Kindergarten Operations Reserve provides that unspent budgeted funds from each year are brought forward and made available for kindergarten spending in future years. In this way negative effects of falling enrolments can be minimised.

The carried Forward Projects Reserve provides for all budgeted amounts which have not been spent as at 30 June and which are required to be carried forward to the next financial year and are not budgeted in the next financial year.

	2018	2017
8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus/(deficit) for the year	(292)	1,167
Depreciation/amortisation	6,649	6,409
Impairment Expenses	-	2,808
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(120)	(188)
Finance Costs	8	11
Share of net (profit)/loss of associates	(37)	12
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	140	(310)
(Increase)/Decrease in prepayments	10	22
(Increase)/decrease in accrued income	84	(106)
Increase/(decrease) in trade and other payables	317	1,254
(Increase)/decrease in assets held for sale	-	5
Cemetery Trust contribution	-	117
(Decrease)/increase in other liabilities	(37)	33
(Increase)/decrease in inventories	73	(146)
Increase/(Decrease) in provisions	73	184
Net cash provided by/(used in) operating activities	6,868	11,272

8.3 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 categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding arrangements

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.

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

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

Vision Super has advised that the estimated VBI at June 2018 was 106.0%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

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

Funding calls

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

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

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

2017 triennial actuarial investigation surplus amounts

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

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

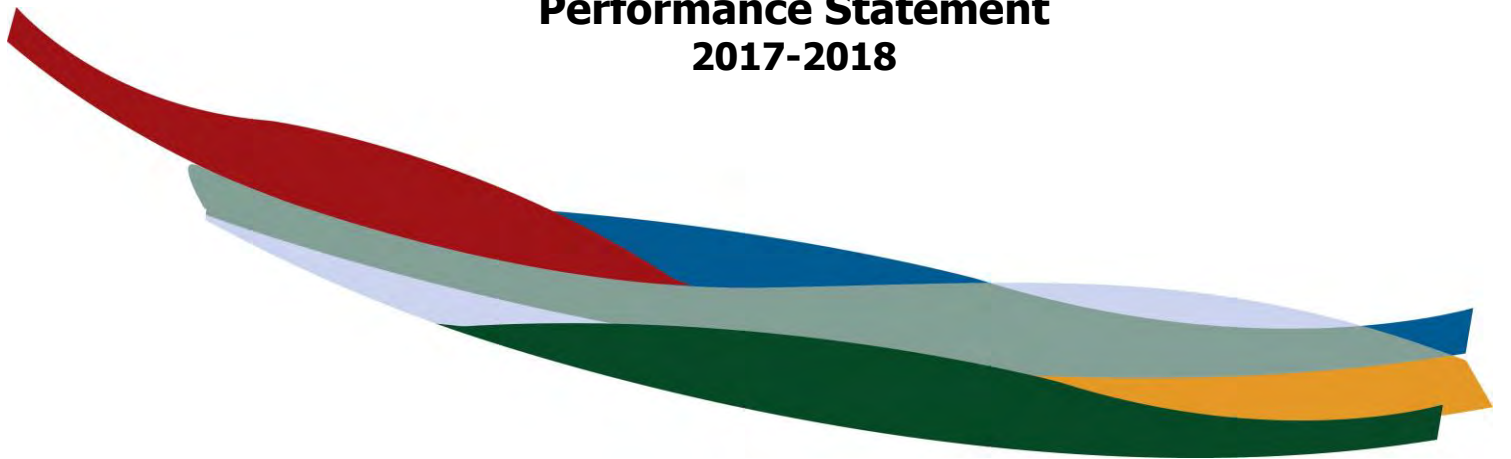
The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. Council was notified of the 30 June 2017 VBI during August 2017.

2018 interim actuarial investigation

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



**Performance Statement
2017-2018**

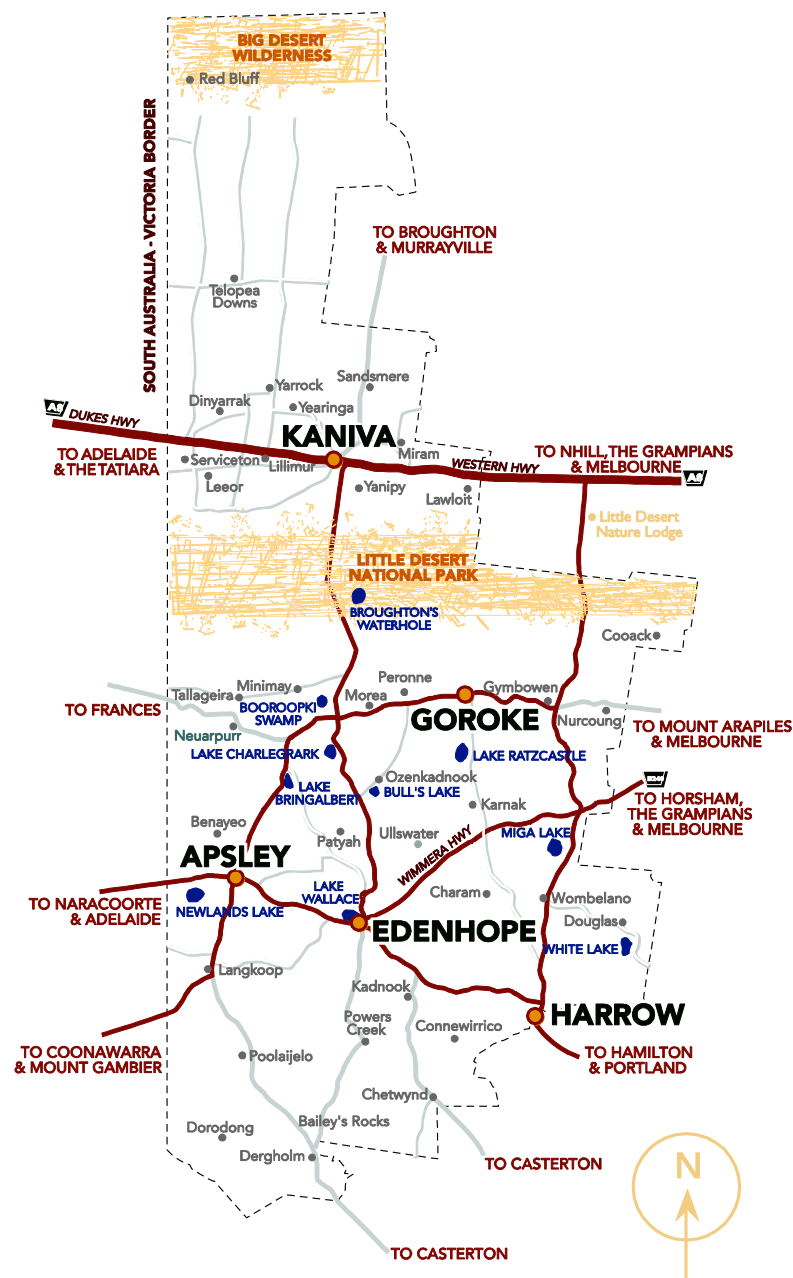


Performance Statement

For the year ended 30 June 2018

Description of municipality

West Wimmera Shire Council is located in Western Victoria and has a strong economy, primarily based on agriculture with growth sectors in health, education and retail. The Shire covers an area of 9,256 square kilometres and includes the townships of Apsley, Edenhope and Harrow to the south of the Shire and Goroke, Kaniva and Serviceton to the north.



Sustainable Capacity Indicators

For the year ended 30 June 2018

Indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Population					
<i>Expenses per head of municipal population</i>	\$4,942.49	\$4,678.01	\$7,182.88	\$8,344.97	Expenses per head of population shows an increase as a result of the non-recurrent expenditure incurred during 2017/18 arising from adjustments to flood damaged asset restoration works.
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$42,071.07	\$42,352.15	\$41,897.28	\$56,295.06	The increase in infrastructure in 2017/18 is largely due to the revaluation of roads, which took place in 2018.
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	1.46	1.43	1.42	1.42	No material variations
[Municipal population / Kilometres of local roads]					
Own-source revenue					
<i>Own-source revenue per head of municipal population</i>	\$2,525.87	\$2,611.24	\$2,902.20	\$3,191.88	No material variations
[Own-source revenue / Municipal population]					
Recurrent grants					
<i>Recurrent grants per head of municipal population</i>	\$2,401.81	\$1,709.20	\$2,752.01	\$2,229.12	The allocations for VGC funding were higher in the 2016-17 year due to no prepayment in 2015-16 (higher quarterly payments) in addition to the prepayment of 2017-18 allocation.
[Recurrent grants / Municipal population]					
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i>	5.00	5.00	5.00	5.00	No material variations
[Index of Relative Socio-Economic Disadvantage by decile]					



Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

"population" means the resident population estimated by council

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

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

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



Service Performance Indicators

For the year ended 30 June 2018

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i>	3.45	3.51	2.79	3.73	In 2016-17 no attendance figures were received from Edenhope pool, significantly altering attendance figures for that year
[Number of visits to aquatic facilities / Municipal population]					
Animal Management					
Health and safety					
<i>Animal management prosecutions</i>	0.00	0.00	0.00	0.00	No prosecutions during 2017/18
[Number of successful animal management prosecutions]					
Food Safety					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	100.00%	0.00%	0.00%	0.00%	No critical and major notifications in 2017/18
[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] x100]					
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i>	58.00	56.00	59.00	61.00	
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					



Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Home and Community Care (HACC)					
Participation					
<i>Participation in HACC service</i>	40.78%	52.53%			Reporting Ceased 1 July 2016
[Number of people that received a HACC service / Municipal target population for HACC services] x100					
Participation					
<i>Participation in HACC service by CALD people</i>	17.39%	6.90%			Reporting Ceased 1 July 2016
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100					
Libraries					
Participation					
<i>Active library members</i>	16.37%	13.38%	12.92	12.67%	No material variations
[Number of active library members / Municipal population] x100					
Maternal and Child Health (MCH)					
Participation					
<i>Participation in the MCH service</i>	88.78%	88.66%	88.68%	97.31%	No material variations
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Participation					
<i>Participation in the MCH service by Aboriginal children</i>	66.67%	100.00%	50.00%	50.00%	No material variations
[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					
<i>Satisfaction with sealed local roads</i>	49	48	45	50	Council has made a significant effort to repair and renew our local roads on the back of damage caused from extreme weather events in the previous year.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					



Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i>	100.00%	0.00%	0.00%	0.00%	
[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					
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	17.77%	17.99%	22.03%	22.45%	No material variations
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					



Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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



Financial Performance Indicators

For the year ended 30 June 2018

for the year ended 30 June 2018									
Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2015	2016	2017	2018	2019	2020	2021	2022	
Efficiency									
Revenue level									
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$620.01	\$619.00	\$637.00	\$654.00	\$660.00	\$681.00	\$704.50	\$729.00	
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$4,152.11	\$3,629.20	\$5,538.00	\$6,454.00	\$4,407.2	\$4,233.40	\$4,310.00	\$4,388.20	Expenses per property assessment show a significant increase as a result of the non-recurrent expenditure incurred during 2017/18 arising from flood damaged asset restoration works.
Workforce turnover									
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.90%	6.54%	16.50%	4.85%	12.62%	12.62%	12.62%	12.62%	There was a lower than usual resignation of staff in 2017-18.
Liquidity									
Working capital									
Current assets compared to current liabilities	355.60%	321.40%	337.98%	273.72%	253.71%	304.18%	297.97%	318.27%	Current assets have reduced with flood grant funding being expended throughout the year, while current liabilities have increased due to an increase in year-end Trade & Other payables directly connected to the winding up of flood remedial works.



[Current assets / Current liabilities] x100 Unrestricted cash					Future year variances arise as cash flow varies due to capital investment requirements and plans.				
<i>Unrestricted cash compared to current liabilities</i>	312.04%	252.42%	279.68%	144.94%	226.05%	273.72%	267.77%	288.33%	Restricted cash includes unspent grants and capital works carried forward, both of which are not known until year-end close off. As such the forecast years have high unrestricted cash.
[Unrestricted cash / Current liabilities] x100									

Dimension/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	2019	Forecasts		2022	Material Variations and Comments
Obligations									
Asset renewal									
<i>Asset renewal compared to depreciation</i>	64.00%	85.12%	94.34%	80.87%	130.40%	71.96%	85.23%	79.54%	There was an increase in renewal works in 16/17 due to the 2016 flood events. The flood work has progressively declined over 2017/18. Future capital investments programs call for significant initial in roads and building renewals in 2018-19 to meet longer term intervention points and address the renewal gap, tapering off in future years as the initial gap reduces and intervention points are maintained.
[Asset renewal expense / Asset depreciation] x100									
Loans and borrowings									



West Wimmera Shire Council
2017-2018 Performance Statement

<i>Loans and borrowings compared to rates</i>	6.35%	4.23%	2.34%	0.47%	0.00%	0.00%	0.00%	0.00%	In line with Council's debt schedules. No new borrowings forecast
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	2.12%	1.93%	1.93%	1.91%	0.00%	0.00%	0.00%	0.00%	Council expects to extinguish all external debt as at 30 June 2018. There are no long term plans to take on any further debt.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	4.70%	3.86%	2.29%	2.50%	2.18%	2.16%	2.16%	2.18%	Reduction in external debt over the longer term reduces Councils non-current liabilities against a slightly expanding long term rate income.
[Non-current liabilities / Own source revenue] x100									
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	3.06%	-5.22%	-24.91%	-50.96%	-11.50%	-5.38%	-4.32%	-3.66%	As the flood remedial works draw to a close, there was a significant amount of non-recurrent operating expenditure associated with this. Council anticipates that longer term operating expenditure will reduce as Council's contract work for state government reduces.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									
Dimension/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	2019	2020	Forecast s 2021	2022	Material Variations and Comments
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	31.33%	39.45%	31.58%	33.87%	38.02%	38.72%	38.96%	38.98%	Over the longer term it is anticipated that Council's rate level as a proportion



									of underlying revenue will increase due to an expansion of the rate base via a shorter term variation to the rate cap obtained by Council, and also a reduction in longer term reimbursement income from State Government for contracted works undertaken on their behalf by Council.			
[Rate revenue / Adjusted underlying revenue] x100												
<i>Rates effort</i>												
<i>Rates compared to property values</i>				0.39%	0.41%	0.40%	0.41%	0.42%	0.43%	0.44%	0.45%	No material variations
[Rate revenue / Capital improved value of rateable properties in the municipality] x100												



Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

"current assets" has the same meaning as in the 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 2018

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 18 June 2015 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.



Certification of the performance statement

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

Principal Accounting Officer

Dated:

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

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

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

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

Dated:

Councillor

Dated:

Mr David Leahy

Chief Executive Officer

Dated:

