



WARRNAMBOOL
CITY COUNCIL

Warrnambool
City Council
Annual Report
2018 - 2019



WARRNAMBOOL

CITY COUNCIL

Welcome

Warrnambool City Council is committed to reporting and accountability to the community and the Report of Operations 2018-2019 is the primary means of advising the Warrnambool community about council's operations and performance during the financial year.

Warrnambool City Council acknowledges the Traditional Owners of the land on which the municipality is situated and pays respects to Elders past and present.

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Snapshot of Council

Demographic profile

The Warrnambool City Council municipality covers 120sqkm in Victoria's South West and is about 260km from the state's capital, Melbourne.

The Warrnambool municipality includes the city of Warrnambool and the towns of Allansford, Woodford and Bushfield.

The city has an estimated residential population of 35,000 and based on State Government projections, is forecast grow by a further 5,000-plus people by 2036. By 2036 the State Government predicts the concentration of growth across the South West will continue to occur in Warrnambool with moderate growth in adjoining Moyne Shire.

As with other regional cities, Warrnambool has an ageing community. One in five residents are aged under 15 years (a proportion which is decreasing) and one in five residents are aged over 65 years (a proportion which is increasing).

Warrnambool's median age is 40 compared to the regional Victorian median age of 43 and the Australian median age of 38.

About 75 per cent of Warrnambool's annual net population growth comes from migration – domestic (particularly other Great South Coast municipalities and Melbourne) and overseas. Babies born in the city represent 25 per cent of our population growth.

Domestic migration comprises mostly young families (35-44 years) and those who have retired or are reaching retirement age (55 years and over).

Warrnambool is home to people from 33 countries. More recently the growth in Asian nationalities, including Chinese, Taiwanese, South Korean and Thai born residents has been the most significant from 2011-2016.

At the 2016 census, 2,731 of people living in Warrnambool were born overseas. Of these, one in four arrived in Australia in the five years leading to Census 2016.

Of the total population, four per cent speak a language other than English at home – a significant increase of 526 people between 2011-2016.

The number of residents who identified as Aboriginal or Torres Strait Islander in the Census (2011-2016) increased by 10% from 495 to 556.

Of the 15,724 people working in Warrnambool at the 2016 census, 12,738 live in Warrnambool, 2,337 live in the Moyne Shire and 302 live in the Corangamite Shire.

Total private dwellings numbered 15,188 at the 2016 census with an average household size of 2.36.

The SEIFA Index of Disadvantage for Warrnambool was 986. SEIFA is a suite of four indexes that have been created from social and economic Census information: the Index of Relative Socio-economic Disadvantage, Index of Relative Socio-economic Advantage and Disadvantage, Index of Economic Resources and the Index of Education and Occupation.

Warrnambool's score places it midway on the index for Victorian municipalities.

Over 2018-2019 the value of building approval in Warrnambool totaled \$103 million, comprising \$69 million in residential construction and \$34 million in non-residential construction.

Population: 35,000

Rateable properties: 17,086

Pathways: 328km total length

Sealed roads: 300km

Unsealed roads: 34km

Council drains: 267km

Drainage pits: 11,000

Three major stormwater tunnels along Japan, Simpson and Fairy streets

Snapshot of Council

Buildings

Council owns/manages 350 buildings including:

- Lighthouse Theatre,
- AquaZone,
- Warrnambool Stadium,
- Warrnambool Art Gallery,
- Warrnambool Civic Centre,
- Archie Graham Community Centre,
- Proudfoots and numerous recreational facilities,
- Public toilets,
- Council houses,
- Offices.

Parks and Gardens

Council is responsible for managing 400ha of open space including 250 parks, gardens, playgrounds and sportsgrounds, foreshore and reserves.

Warrnambool Regional Airport

The 152ha airport supports emergency services including Victoria Police, a fixed wing ambulance and CFA. It records 30 to 35 aircraft movements a day.

School crossings

Warrnambool has 32 school crossings used by about 5,000 children who are supervised by a team of about 40 crossing supervisors.

Snapshot of Council

Demographic profile


	Median age	Aboriginal and Torres Strait Island population	Medium and high density housing
Warrnambool	40	1.7%	20%
Regional Victoria	43	1.6%	10%
Victoria	37	0.8%	27%
Australia	38	2.8%	27%

	Median weekly household income	Median weekly mortgage repayment	Median weekly rent
Warrnambool	\$1,180	\$331	\$258
Regional Victoria	\$1,124	\$309	\$238
Victoria	\$1,416	\$391	\$330
Australia	\$1,431	\$409	\$339

	Households renting	Households with a mortgage	Overseas born
Warrnambool	29%	29%	8%
Regional Victoria	24%	31%	11%
Victoria	28%	33%	28%
Australia	29%	32%	26%

	Language other than English at home	University attendance	University qualification
Warrnambool	4%	3%	16%
Regional Victoria	6%	3%	15%
Victoria	26%	5%	24%
Australia	21%	5%	22%

	Trade qualification	Public transport to work	SEIFA index of disadvantage
Warrnambool	21%	1%	986
Regional Victoria	22%	2%	977
Victoria	17%	12%	1010
Australia	19%	19%	1002



Council vision and objectives

Warrnambool City Council's vision is to be a Cosmopolitan City by the Sea.

Council's theme is to build pride and confidence in the city.

The five objectives identified in the Council Plan for 2018-2019 were:

1. Sustain and enhance the natural environment
2. Foster a healthy city that is socially and culturally rich
3. Maintain and improve the physical fabric of the city
4. Develop a modern economy with diverse and sustainable employment
5. Practice good governance through openness and accountability

Highlights 2018-2019

Objective 1. Sustain and enhance the natural environment

Council's first off-grid solar system



The off-grid solar installation in Ozone Car Park.

In January 2019 a storage building in the Ozone Car Park became Council's first off-grid solar powered site.

The building is used as a work station and storage facility by Council's street cleaning and parks and gardens teams.

The solar panels on the roof are capable of generating 4.32kW of power fed into two batteries with a combined storage capacity of 7kWh.

The decision to use solar panels and battery storage was made for both financial and environmental reasons.

The batteries can power the building for about two or three days without any sun. Using the storage building saves workers time because when working in the CBD they no longer need to drive to the Council depot to pick up equipment.

High-energy relationship

In April Council and the regional Swedish city of Mariestad made a formal commitment to sharing renewable energy ideas, knowledge and research. A delegation from Sweden – including the Mariestad Mayor Johan Abrahamsson – visited Warrnambool to share insights on Mariestad’s move away from fossil fuels to renewable energy.



Warrnambool Mayor Cr Tony Herbert with Mariestad Mayor Johan Abrahamsson.

Both cities signed a memorandum of understanding to share information on renewable energy initiatives, with Mariestad leading the way on the use of hydrogen to power vehicles and heat homes. Being able to store renewable energy as hydrogen means that clean energy is available around the clock. Mariestad is demonstrating that it is possible for a regional city to lead the way to a sustainable energy future.

Mariestad has been declared a UNESCO model of sustainability.

Funding stream for high-tech platypus study

In a project that wouldn't be out of place in a Jurassic Park film, Warrnambool City Council and MAD for the Merri will begin collecting platypus DNA in order to better understand the habits of these mysterious monotremes.

Using the latest scientific methods, water samples will be taken from the upper Merri River at Grasmere to detect if platypuses have been present in the environment.

This is done by searching for Environmental DNA (eDNA), which can be found in the cells shed by platypuses in the water.

This work, along with revegetation, fencing and willow removal will be funded by a \$13,420 grant from Landcare Victoria.

The research aims to show the range of Merri River platypuses.

Platypuses are currently listed as “near threatened” on the International Union for Conservation of Nature Red List of Threatened Species, which means it is “likely to become endangered in the near future”.

Mezzo joins veteran Maremmas for first penguin count

In October 2018 the Maremma guardian dogs returned to Middle Island for the first penguin count of the season, with new recruit Mezzo in tow.



Maremma dog Mezzo on Middle Island.

The year-old dog, along with younger Maremma Isola, are expected to eventually take the mantle of Middle Island’s official penguin protectors from long-time guardians Eudy and Tula, who are approaching retirement.

The new Meet the Maremma Experience, introduced in 2017, has been a huge success.

The experience gives participants a hands-on insight into the fascinating world of penguin monitoring. They also get to meet, pat and take photos with an ambassador Maremma dog.

Profits from the tours go towards the care of the Middle Island Maremma dogs.

Highlights 2018-2019

Objective 2. Foster a healthy city that is socially and culturally rich.

A new home for petanque in Warrnambool



The opening of the petanque piste in January 2019.

Warrnambool's first official petanque facility was opened on Pertobe Road. Similar to lawn bowls and bocce, petanque sees teams score points by throwing their boules as close as possible to a target jack. The playing area, known as a piste, was constructed from recycled plastic. The piste has a sandstone base with a layer of quartz on the surface.

The project was funded via Council's Small Infrastructure Fund.

Supporting the community

Council's Community Development Fund is an annual grant program established in 1999. The fund provides assistance to local clubs and organisations through four funding categories to:

- develop and provide sporting or recreational programs, projects and activities;
- develop and provide cultural programs, projects and activities;
- development and conduct of local, community based sporting, recreational or cultural events within the City; or, develop and conduct environmental and/or sustainability projects.

Applicants can apply for up to \$3,000 on a 2-for-1 basis.



In 2018 34 clubs and organisations shared in total funding of \$76,153. Since 1999, Council's total support totals \$1,188,332 for a \$4,116,806 club investment.

The 2018 grant recipients were:

Warrnambool Camera Club Incorporated	\$3,000	To replace essential club equipment and secure facilities.
Warrnambool & District Historical Society Inc	\$3,000	To have old films professionally converted and purchase an editing program to share files for education.
Community Radio Endeavour Warrnambool (3WAY-FM)	\$1,500	Upgrade facilities for disability compliance.
Warrnambool City Band	\$2,471	Upgrade of old and outdated kitchen appliances.
City of Warrnambool Eisteddfod Society	\$3,000	To expand the Eisteddfod to enable all abilities to participate within the event.
Friends of Warrnambool Botanic Gardens	\$3,000	Installation of labels to identify plants for compilation into GIS-based database.
The F Project	\$2,256	To create The Art Trade - collectable art cards detailing local artists.
Warrnambool Symphony Orchestra	\$1,516	Purchase of essential equipment for rehearsals and performances.
Port Fairy to Warrnambool Rail Trail Committee of Management	\$1,000	Purchase of small spray unit to spray short overgrown sections of the trail.
Friends of Swan Reserve	\$3,000	To have a professionally designed and printed brochure promoting the waterwise garden at Swan Reserve.

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Clean Oceans Collective	\$300	To purchase marine debris ID manuals, educational how-to postcards and social media promotion.
Friends of Platypus Park	\$2,000	Revegetating sites along the Merri River.
Warrnambool Community Garden	\$2,300	Conducting a mid-week local produce market to promote fresh, seasonal, local produce.
Friends of Victoria Park	\$2,500	To plant 1000 plants, including understory infill plants in 'Gum Tree Gully' area of Victoria Park.
The Trustee for Nature Glenelg Trust	\$2,000	Small Things Festival - celebration of local arts and ecology.
Warrnambool Coastcare Landcare Network	\$1,467	Revegetate the Old Gun Club and Maam Reserve site, and conduct education sessions.
Easter Arts Festival	\$3,000	Advertising and brochure design for Easter Arts Festival.
Holiday Actors	\$3,000	To support the Holiday Actors Musical Theatre Production.
Warrnambool Gift Committee	\$1,953	To purchase essential equipment to support the Warrnambool Gift event.
Warrnambool BMX Club	\$1,769	To support the 2018 Warrnambool BMX Classic with first aid and spectator amenities.
Warrnambool Gun Club	\$3,000	To purchase a Tow and Collect machine to use at our shooting range.
Warrnambool & District Historical Vehicle Club	\$2,400	To construct a new disabled access to the Clubrooms.
Warrnambool Gem Club	\$3,000	To purchase essential equipment to support the Club to attract new members.
Warrnambool Rangers Football Club	\$1,930	To purchase movable partitions for the change rooms to support growing female participation.
Nestles Rowing Club	\$1,787	To purchase a new set of four Croker adjustable sweep oars to support attracting new members.
Russells Creek Club	\$2,992	To support the Club's design of a development plan for the Mack Oval.
Warrnambool Wolves Football Club	\$3,000	To purchase a second hand vehicle supporting players travelling together for competitions.
Old Collegians Football Netball Club	\$1,087	To purchase essential safety equipment supporting female participation in football.
North Warrnambool Eagles Football Netball Club	\$3,000	Minor refurbishment and painting of social rooms at Bushfield Recreation Reserve.
Disabled Surfers Association – Warrnambool	\$1,126	To purchase essential safety equipment to cater for children and adults with paralysis.
Allansford Cricket Club	\$1,666	To purchase essential club equipment and conduct clinics to support the female cricket team.
Warrnambool Little Athletics	\$2,800	Purchase of essential club equipment to support club activities.
Warrnambool Dog Training School	\$1,333	Purchase of new equipment to improve the training environment.
South Warrnambool Football Netball Club	\$3,000	To purchase and install goal post netting at the Friendlies Society Reserve.
Total funding	\$76,153	

WAG gains museum accreditation

In August 2018 Warrnambool Art Gallery was officially awarded with accreditation by Museums Australia (Victoria).

A professional panel of museum experts has made a final assessment and compiled a positive report on the gallery's operations.

The WAG was required to meet set criteria from the National Standards for Australian Museums and Galleries and joins the 74 other accredited Victorian collections.

Museums Australia (Victoria) accreditation program co-manager Caroline Wall said the peak museums body was "delighted to recognise the hard work and commitment shown by the team at the Warrnambool Art Gallery".



WAG Director Vanessa Gerrans with Victorian Member of Parliament Frank McGuire.

The accreditation panel noted that the Council recognised the Gallery as a key community benefit.

The panel commended the WAG for its active work with the broader Warrnambool community, both in its programming and contributions to local events.

To become accredited museums spend up to three years developing procedures and policies, and practice to meet recognised museum standards.

Getting into the swing of things



Cr Cassidy with Marshall Hayhoe, 3, on the new accessible swingset.

A new accessible swing set was installed at Lake Pertobe in July 2018 with Marshall Hayhoe, 3, among the first to try it out.

The timber A-frame swing has two seats: one for toddlers and one for older children. Both have high backs to offer maximum support and also include adjustable harnesses.

A new concrete footpath leads to the swing, which has soft rubber matting around its base. The swing is also close to the accessible toilet facilities and a barbecue.

Marshall's mother, Corrina, said that she and her son were delighted with the new play equipment.

"It's awesome to be able to take my son to a playground and do what others take for granted with their children," she said.

"To see him happy and able to associate with other children is all I want.

"If you know him, laughs and smiles are rare. To have him in the swing and see how happy he is, I can't describe how awesome it is."

Cr Sue Cassidy said that integrating accessible play equipment into existing playgrounds is important.

"It's not just about providing children of all abilities the opportunity to play, it's the fact that all children can play together," she said.

"To see Marshall's happy face, and mum's happy face, is unreal."

The swing is in alignment with the recently adopted Lake Pertobe Master Plan.

The \$36,000 project was funded through Council's Rural Access Capital Works Fund.

Funding for a premier regional sportsground

In September 2018 Council welcomed a Victorian Government announcement that \$7 million has been allocated to redevelop Reid Oval.

This followed the release last month of a business case that showed the redevelopment would be a “compelling investment that drives sports development in all community sectors”.

Council has committed a further \$3 million to the project that will deliver key infrastructure including an oval surface upgrade, 200 lux lighting and new changerooms.

The business case for the project stated the redevelopment would particularly benefit “women and girls who are currently underrepresented in formal sporting activities within the municipality.”

Funding to change learning landscape

After many years of advocacy the Victorian Government pledged \$16.3 million towards a new community library and learning hub, which was a priority in Warrnambool’s long term community plan, W2040.

The hub will be a shared facility with South West TAFE and Council has committed \$2.75 million towards the project that will provide improved access and learning resources. This will be delivered in the second half of 2022.

A plan to embrace Aboriginal culture at kinder

Warrnambool City Council kindergartens began formalising commitments to promoting and facilitating respect, trust and positive relationships between the wider Australian community and Aboriginal and Torres Strait Islander people.

All council-run kindergartens will adopt Reconciliation Action Plans with support from Reconciliation Australia, with Lions Hopkins Kindergarten the first officially launch a plan in November 2018.

The plans support services in their journey to create environments that foster a higher level of knowledge and pride in Aboriginal and Torres Strait Islander histories, cultures and contributions.

Each plan is formed in collaboration with local elders, members of the local and wider aboriginal community, members of the kindergarten community and members of the wider community.

The kindergartens participate in regular local language sessions with Uncle Lochy Eccles, have regular visits from Aboriginal people to learn about their culture, they use Aboriginal resources and artefacts in their play and learning and they provide families with opportunities to participate in Aboriginal cultural experiences.

BMX Championships roll into Warrnambool



Brandon Te Hiki delivers a master class to young BMX riders.

Four-time national champion Brandon Te Hiko was among 1100 competitors who took part in the 2018 BMX Victoria State Championships held in Warrnambool in November 2018.

The three-day event saw 19 local riders among the 1100 competitors with the event drawing about 2500 visitors to Warrnambool.

Major sports strategy under development

The draft Great South Coast Regional AFL, Cricket and Netball Strategy was released for public comment in November 2018.

The draft strategy lays out a game plan to help guide the development, governance and sustainability of the region's "big three" sports over the next 15 years.

More than 15,000 people across the five Great South Coast municipalities participate in AFL, cricket and netball.

The draft strategy has identified 37 strategic directions under the following four priorities:

- Existing Facilities – Achieve agreed facility standards and functionality and maximise the use and carrying capacity of existing facilities
- Regional Facilities and Talent Pathways – Plan and develop regional facilities in key areas, considering regional needs, innovation in facility provision and support for talent pathways, programs and competitions
- Build Capacity – Develop the capacity of clubs, their people and their culture
- Enhance Relationships – Continue to enhance the relationship between AFL, cricket, netball and government in the planning and provision of facilities and programs

The strategy is being developed by the Warrnambool, Moyne, Corangamite, Southern Grampians and Glenelg municipalities in partnership with AFL Victoria, AFL Western District, Netball Victoria and Cricket Victoria.



The 102 AFL, cricket and netball facilities in the region were audited as part of this strategy to see where improvements could be made.

The highest infrastructure needs emerging from the facility audits were unisex amenities for players and officials and sports lighting improvements.

Council campaigns against gender violence

Splashes of orange appeared on key Council buildings in November as part of a campaign against gender violence.

Council was a partner in the annual 16 Days of Activism and windows at the Lighthouse Theatre, AquaZone and Archie Graham Community Centre were used to promote campaign messages against gender violence. The Warrnambool municipality has the 11th highest rate of family violence incidents reported to police across Victoria.

The 16 Days Campaign offered shoppers free, re-usable orange bags carrying anti-violence messages at all IGA supermarkets across the region.



Highlights 2018-2019

Objective 3. Maintain and improve the physical fabric of the city.

State funding for Wollaston Bridge repairs



Then-Warrnambool Mayor Cr Robert Anderson Director City Infrastructure Scott Cavanagh and Friends of Wollaston Bridge spokesperson Murray Murphet with Sasha the dog.

In July 2018 Council welcomed \$195,000 in Victorian Government funding to help preserve the historic Wollaston Bridge. The grant was announced by Labor Member for Western Victoria, Gayle Tierney MP, and was made available via the Living Heritage Program.

The grant went towards replacing the bridge's structural timbers.

City Centre Renewal

The City Centre Renewal continued into 2018-2019 with work carried out in the southern or "dining precinct" block of Liebig Street.

This work saw new tree plantings, garden beds, all-abilities accessible footpaths, new street lighting, festoon lighting across the street, pedestrian priority crossings and a new road surface.

Traders were supported during the disruptive period of work by a Business Support Program. Among the feature elements that ran from April to November 2018 was the "Find the Five" promotion which asked shoppers to collect tokens in order to win instant prizes.

To receive a token required shoppers to make a minimum \$10 spend at a participating business. This initiative generated spending of \$1.2 million.

The completion of the 2018 phase of the City Centre Renewal was celebrated with an event: A Very Liebig Christmas.

Highlights 2018-2019

Restoring Cannon Hill view

Several species of low-growing native shrubs, including the endemic Granny's Grave correa, were planted on Cannon Hill to replace a small copse of Casuarina trees.

The strategic vegetation management project restored the view across Lake Pertobe from Cannon Hill.

Boiling Down Road

Council also completed an upgrade of Boiling Down Road, a key east-west link in the city's north-east.



Boiling Down Road was reconstructed in early 2019.

More car parking in the CBD

One of Warrnambool's largest car parking upgrades in years has been completed.

The newly expanded Warrnambool train station carpark provides 179 additional free all day spaces.

The works, which also include new CCTV cameras and lighting upgrades, were funded by the Victorian Government's Road and Rail Minor Works Program.

The carpark provides a better service to V/Line customers and more choices to all CBD visitors with its close proximity to South West TAFE and the planned new library and learning hub, this carpark is great news for students too as well as CBD workers more generally."

The carpark can be accessed off Merri Street near Gilles Street or at the train station.



Mayor Cr Tony Herbert at the new railway station car park.

Power, water, lights, action!

Work began to improve Merrivale Recreation Reserve with a power upgrade, improved lighting and irrigation. The project involves a partnership between the Victorian Government, Council, a local trust and reserve stakeholders.

In 2018 member for Western Victoria Gayle Tierney announced the Victorian Government would provide \$250,000 from its Community Sports and Infrastructure Fund towards the \$605,000 project.

The remaining funding will come from Council (\$190,000), Merrivale Football Netball Club (\$135,000) and the Gwen and Edna Jones Foundation (\$30,000).

This project builds on recent improvements at the reserve that include the addition of netball court surface and compliant run-offs, construction of a new netball pavilion and construction of a netball shelter.

The new project will see the installation of automated sub surface irrigation, a power upgrade to provide the additional electricity required to operate the irrigation system and the installation of sports ground lighting which will meet Australian Standards for training at a local level facility.

The lighting component of the project will see the installation of four, 28m masts and 12 new LED floodlights to achieve an average lighting strength of 50 lux.

There will be future provision for additional floodlights to be installed to 100 lux while existing light towers will be removed.



Members of the Merrivale community celebrates the announcement of the Merrivale Recreation Reserve upgrade.

Council's Sports Ground Management Review identified the provision of automated irrigation systems as a priority project for regional and high use municipal sports grounds currently maintained with manual watering arrangements.

Stormwater project provides flood protection

In early 2019 work began on new \$3.5 million stormwater project to help protect homes from flooding in Warrnambool's north-east.

Stormwater from a 24ha catchment leading up to Wanstead Street will now be diverted to a series of water storages in the centre of the Warrnambool Racecourse.

The water travels initially along 1800mm diameter pipes flowing into 2100mm pipe as more catchment is intercepted, all leading to a 20-megalitre storage basin on the racecourse.

The racecourse is on Crown land for which the Warrnambool Racing Club is the committee of management and the club agreed to the retention basin being built on the area within the racecourse.

This involved excavating 30,000 cubic metres of earth which was distributed elsewhere on the racecourse. A smaller seven megalitre basin was constructed as part of the project and stormwater from this basin will be used to help irrigate the racecourse and its surrounds.

Overflow is delivered to Russells Creek.

The work was carried out by Warrnambool firm McKinnon Quarries and Civil and funded entirely by Warrnambool City Council.

This stormwater harvesting project was part of a larger drainage project for north-east Warrnambool that included rehabilitation of the Simpson Street stormwater tunnel.

Dennington Reserve Pavilion

The \$638,000 redevelopment of the Dennington Recreation Reserve pavilion was completed in 2018. The new construction merged with the existing pavilion.

Council, the Dennington Football Netball Club and the Dennington Cricket Club worked together to coordinate implementation of the project, which included new home football change rooms, redeveloped football change rooms and umpire change rooms and upgrading power, water and sewer services.

The new changerooms feature will feature improved facilities and there are male and female umpire changerooms.

The project also includes upgrades to sewerage, water and electricity services with these components comprising about \$250,000 of the total project budget.

Council is contributing the major funding share of \$374,500.

The project aligns with the Council Plan and the Warrnambool Recreation Plan which seek to increase opportunities for people to participate sport and active recreation through safe, inclusive, accessible spaces which encourage physical activity.



Funding from the project has come from a range of sources including:

Warrnambool City Council	\$374,500
Victorian Government	\$90,000
Club contributions	\$100,000
Philanthropic trusts	
- Ern Hartley	\$5,000
- Archie and Hilda Graham	\$5,000
- A.L. Lane	\$10,000
- Ray and Joyce Uebergang	\$15,000
- Gwen and Edna Jones	\$10,000
Australian Government	\$18,500
Warrnambool District Football Netball League	\$10,000

Highlights 2018-2019

Objective 4. Develop a modern economy with diverse and sustainable employment

Catering to Chinese visitors



China Host participants and program mentors.

In 2018, the Warrnambool City Council secured \$150,000 of Victorian Government funding to lead an Australian-first mentoring program to help businesses in the Great Ocean Road region capitalise on the booming Chinese tourism industry.

Fifteen south-west businesses took part in the program, which concluded in March 2019.

The China Host Program is a partnership between the Warrnambool City, Moyne Shire and Corangamite Shire councils, South-West TAFE, Great Ocean Road Regional Tourism, Asialink Business, Dragon Tail International and the Australian Tourism and Export Council.

Christmas comes early to the CBD

A Very Liebig Christmas held on November 30, 2018, was a new family-friendly community street festival that aimed to support local business as part of the City Centre Renewal project.



Liebig Leadership Group members promote A Very Liebig Christmas.

Liebig Street was transformed into a Christmas-themed wonderland with street stalls packed with Christmas gift ideas, entertainment from street performers, a range of alfresco dining and the opportunity to be the first to see the new city Christmas lights and decorations.

The event became the third biggest trading day of the year in Warrnambool.

Warrnambool receives sister city award

Warrnambool received a China International Friendly City Award in recognition of the work done to build the sister-city relationship with Changchun.

The award was presented in November 2018 to Warrnambool Mayor Cr Tony Herbert at the China International Friendship Cities Conference in Wuhan, China.

The China International Friendly City Award honours sister cities that have achieved outstanding levels of exchange and co-operation in various fields.

Warrnambool signed a sister-city agreement with Changchun in 2012. The agreement has helped facilitate business and community exchange across agriculture, education, tourism, aged care, arts and sports.



The sister-city engagement led to the development of Council's Warrnambool China Strategy and has been the catalyst for local skills and employment initiatives including the Warrnambool China Bureau (Chinese market business incubation program) and the Great Ocean Road – China Host Program (Tourism leadership program).

New agreement to address regional labour shortages

Employers on the Great South Coast were given a boost with a new visa agreement between the Commonwealth and Warrnambool City Council aimed at attracting skilled workers to the region. The Great South Coast region was among the first in Australia to enter into a five-year Designated Areas agreement with the Commonwealth.



Announcing the DAMA: former WCC CEO Bruce Anson, member for Wannon Dan Tehan, member for Western Victoria Bev McArthur, Glenelg Shire Mayor Cr Anita Rank, Warrnambool Mayor Cr Tony Herbert and WCC CEO Peter Schneider.

This agreement will assist key agriculture, hospitality and other businesses on the Great South Coast fill critical employment gaps by providing them access to a broader range of overseas workers than is available through the standard skilled migration programs.

For a DAMA to be approved by the Commonwealth, regions must demonstrate efforts to recruit Australians first and clearly identify labour market conditions and gaps. They must also demonstrate local support available to migrant workers.

What's your bold business idea?

The Ideas Place was launched at the Fletcher Jones Factory on February 7 with the aim of encouraging and fostering new business ideas.

The first event shone a light on three of the region's newest entrepreneurial fashionistas, Alexis Steere from Albeco, Erin Grigg from Always and Belinda Pitt from Cat Street.

Funded by LaunchVic, The Ideas Place included a series of events and workshops with local and national experts in the business start-up space.

The Ideas Place is a Warrnambool City Council initiative in partnership with Runway, the Moyne and Corangamite Shire Councils, Deakin University, South West TAFE and the Food and Fibre Council.

Highlights 2018-2019

Strategic Objective 5. Practice good governance through openness and accountability

A new mayor

In October 2018 Cr Tony Herbert was elected mayor of Warrnambool, replacing Cr Robert Anderson who had served as mayor the previous year.



Submission to the Essential Services Commission

In early 2019 Council embarked on a consultation with the community about the possibility of applying to the Essential Services Commission seeking a variation to the rate cap imposed by the Victorian Government. The difficulty in maintaining Council assets in years to come was the driver behind investigating a rate variation. The consultation revealed that most residents were against increasing rates but did not want to see a reduction in services.

Council proceeded with an application to the Commission and requested a total rate increase of 4.5 per cent of the average rateable assessment for each year (inclusive of any approved rate cap) in the 2019-2020, 2020-2021 and 2021-2022 financial years.

This equated to an additional annual cost of about \$35, on average, per assessment.

The Commission, after evaluating Council's application, approved a rate variation for the 2019-2020 and 2020-2021 years.

Civic drive for primary pupils

The inaugural Warrnambool City Junior Youth Council held its first meeting in August 2018.

The council comprises up of 17 members and aims to give local primary school students a voice at a civic level.

The group will work closely with their senior counterparts on the Warrnambool City Youth Council.

Youth Council working group member Andrew Pritchard said that while opportunities already existed for primary school students to represent their school, the Junior Youth Council provided a way for them to represent the city.

“The first meeting has been good. Everyone has been very energetic and excited with a lot of ideas,” he said.

“The Junior Youth Council is all about providing a voice for the younger kids in the community.

“It is also about developing their own leadership skills and making connections with people from other schools.



“As you get older you start to forget what happened in primary school and the issues affecting kids at this age, so it’s good to be able to work with them directly.”

Junior Youth Councillors: Kain Ryan, Caitlin Gapes, Freya King, Zoe Bryce, Toby Fish, Hayley Wilson, Charlize Wiffrie, Ian Roache, Theo Kane, Skyla Couch, Charli Picken, Amelia Fiedler, Maisie Rentsch, Maddison Flynn, Taneah Van Bruggen, Jasmine Anderson, Ihipera Sciascia.

Youth Councillors - Working Group: Andrew Pritchard, Meg Reuel (absent from photo), Tiffany Tracey, Elise Drake, Cassidy Jamieson.

New Chief Executive Officer appointed

In November Peter Schneider was announced as Warrnambool City Council’s next chief executive officer. was

Peter Schneider moved from Western Australia to take over the role from Bruce Anson, who retired in January 2019 after more than a decade in the role.

Mr Schneider was Chief Executive Officer of Perth-based local government authority, the Eastern Metropolitan Regional Council (EMRC).

The EMRC provides services including waste management, resource recovery, environmental management and regional development to six member councils.



Challenges and future outlook

Challenges

Council continues to search for efficiencies in order to contain costs.

The renewal of assets will remain a challenge although the rate variation approved by the Essential Services Commission will assist in meeting this challenge.

In June 2019 the Sharp Airlines passenger service linking Warrnambool to Melbourne was closed. Council, as the owner of the Warrnambool Regional Airport, remains in discussions with a number of airlines who have expressed interest in providing a replacement service.

In March it was announced that the Fonterra dairy processing plant in the suburb of Dennington would close in late 2019 with the loss of about 100 jobs.

The future

In mid-2019 Council began an organisation review to consider whether Council's structure efficiently and effectively supports the services Council provides to the community of Warrnambool.

The review will be finalised in late 2019.

Planning on the \$20 million Learning and Library Hub will begin. This is a joint project with South West TAFE and the Department of Education that will replace the existing municipal library which was opened in 1976.

Design work for the \$10 million upgrade of Reid Oval will begin. This project will provide the South West region with a showcase sports ground capable of holding higher level sporting fixtures.

Planning will begin on the \$4.5 million shared services project with the Moyne and Corangamite municipalities. This projects aims to achieve efficiencies by sharing a number of corporate functions across the three municipalities.

Council was successful in obtaining Commonwealth Government funding of \$1.45 million to go towards the implementation of the \$2.9 million upgrade of Lake Pertobe Adventure Park. Designs for stage one of this work will be finalised in 2019-2020.

The year in review

From the Mayor

In 2018 Council completed the final major stage of a comprehensive overhaul of Warrnambool's commercial and retail heart – Liebig Street. This project, which included \$10 million in funding from the Victorian and Federal governments, was a lengthy undertaking but a transformational one. Old underground infrastructure was upgraded, a new road surface and accessible footpaths were constructed and traders and property owners took advantage of grants to improve shop facades and accessibility into businesses. The work was completed with gardens, stylish and robust street furniture and public art installations. The outcome is one that Council is proud of and the celebration to mark the completion of the major phase of the city centre Renewal, *A Very Liebig Christmas*, became the third largest trading day of 2018. I would like to acknowledge traders and their customers for their patience throughout the construction work. I also wish to acknowledge staff and contractors who scheduled work in order to ensure businesses remained accessible to customers.



Warrnambool offers a wide range of employment opportunities and for a number of years our city has recorded low levels of unemployment. A number of the region's employers have struggled to attract suitably qualified and/or experienced workers and this in turn has placed limits on the region's economy. To address this Council worked with the Federal Government to develop a Designated Area Migration Agreement covering the Great South Coast. This provides an opportunity for employers to address labour shortages and at the same time it has the potential to provide a pathway to permanent residency for workers coming to our region.

Advocacy work of Council has been effective with funding provided for a new library (\$16.3 million), the redevelopment of Reid Oval (\$7 million) and the upgrade of Lake Pertobe (\$1.45 million). Council campaigned effectively for Princes Highway improvements with funding of \$60 million announced by the Federal Government for highway upgrades between Warrnambool and Port Fairy. Council continues to lobby for highway duplication along with improvements to rail services and the railway station, with a focus on not only improving travel times but also accessibility, including more wheelchair spaces on V/line carriages.

Close to home we have focused on some of the features of Warrnambool which local residents love. Among them has been the restoration of the view at Cannon Hill. A small copse of sheoaks was removed to allow residents and visitors to enjoy an uninterrupted vista across Lake Pertobe. The trees will be replaced with low growing shrubs including a correa endemic to the Granny's Grave area.

Work is also under way to restore another much-loved local icon, the historic Wollaston Bridge. This project received Victorian Government funding.

And we completed significant flood protection work with the rehabilitation of the Simpson Street stormwater tunnel and the diversion of stormwater from a 24ha catchment area to a series of water storages in the centre of Warrnambool Racecourse. This \$3.5 million project was funded entirely by Council.

It has been an exciting year. We welcomed our new CEO Peter Schneider and have another busy year ahead with a new library and learning hub, redeveloped oval and an upgrade to Lake Pertobe on the way.

Cr Tony Herbert

Mayor

Warrnambool City Council

The year in review

From the Chief Executive Officer

Over the past year Council received a number of key grants from Federal and Victorian governments that will have a significant and positive impact on our city. In late 2018 the Victorian Government announced funding of \$16.5 million to create a new library and learning hub in partnership with South West TAFE, this followed an allocation of \$7 million to make Reid Oval into a premier regional sportsground. At the time this annual report was being prepared the Victorian Government also announced a grant to support the delivery of a shared corporate services project with the Moyne and Corangamite municipalities.

The Federal Government provided \$1.45 million

towards the implementation of the first stage of the Lake Pertobe Master Plan.

Council acknowledges this support which will help ensure Warrnambool remains one of the nation's most liveable cities.



Councillors should also be commended for committing to delivering these key projects, which address priorities identified in the Warrnambool 2040 long-term community plan.

In a challenging financial environment it is important that we maintain our assets and take on capital works projects that can ensure we are meeting the needs of a growing community. It is significant that Council also made a decision to apply to the Essential Services Commission to vary the rate increase above the cap set by the Victorian Government. The commission subsequently approved a variation for the next two financial years and Council then opted to include a variation for the 2019-2020 budget, with all additional revenue to be directed towards asset renewal.

Council will continue to strive for efficiencies in its operation. As part of that commitment an organisation review is under way which will examine whether our structure supports cross-team collaboration, high levels of customer service and whether the segregation of duties promotes good internal control and whether we are suitably resourced to deliver on the Council Plan.

It is imperative to ensure that we have the appropriate human and capital resources we require in order to deliver the best outcomes possible for the people of Warrnambool and the organisation review will provide the information on which to ensure the best allocation of resources.

One of our long-serving managers, Russell Lineham, retired after more than 20 years with Council. In that time Russell was involved in the redevelopment of the Lighthouse Theatre, ongoing improvements at the WAG and AquaZone and was also heavily involved in advocacy which delivered a great funding outcome for Reid Oval – thank you Russell.

I would also like to acknowledge the efforts of all staff. In addition to delivering major projects – including completion of the main phase of the City Centre Renewal – staff continue to provide a broad range of high quality services to the community.

Peter B. Schneider

Chief Executive Officer

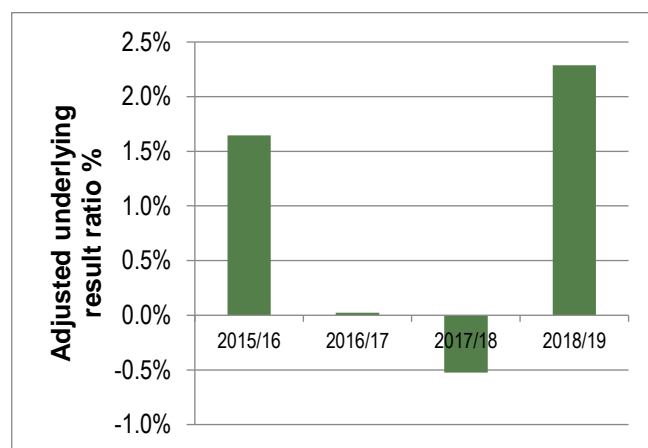
Warrnambool City Council

Financial summary

Council’s financial position continues to remain satisfactory. A summary of our performance is outlined below. Detailed information relating to council’s financial performance is included within the financial statements and performance statement sections of this report.

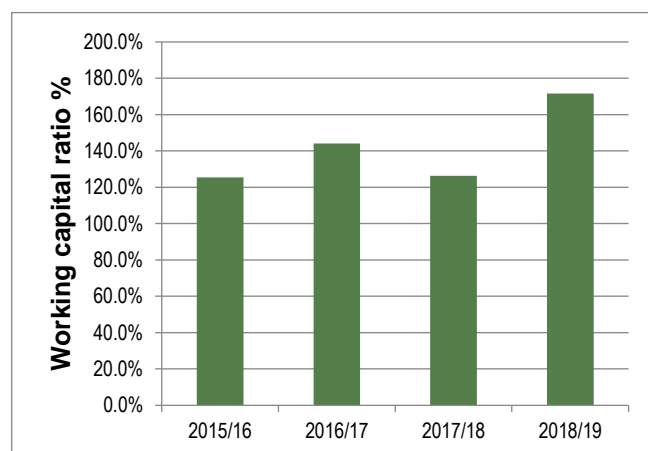
Operating position

Council achieved an accounting surplus of \$13.96 million in 2018–19 which is higher than the 2017-18 surplus of \$6.02 million and is impacted by the higher level of non-monetary contributions which are externally driven by property development activities. Government grants were also higher in 2018/19 than the previous year. The adjusted underlying surplus of council, after removing non-recurrent capital grants, non-monetary capital contributions, profit/loss on sale of equipment and major expensed capital works, is a surplus of \$1.71 million. This is above the expected target of >0% and is mainly due to non recurrent Government grants received for one-off operating projects where the income has been received prior to the expenditure occurring.



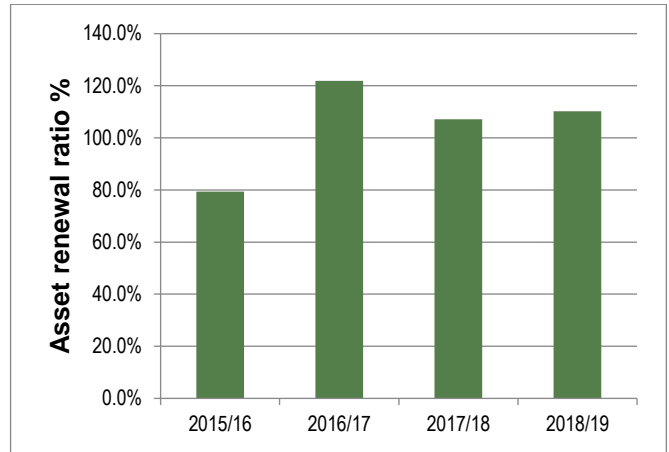
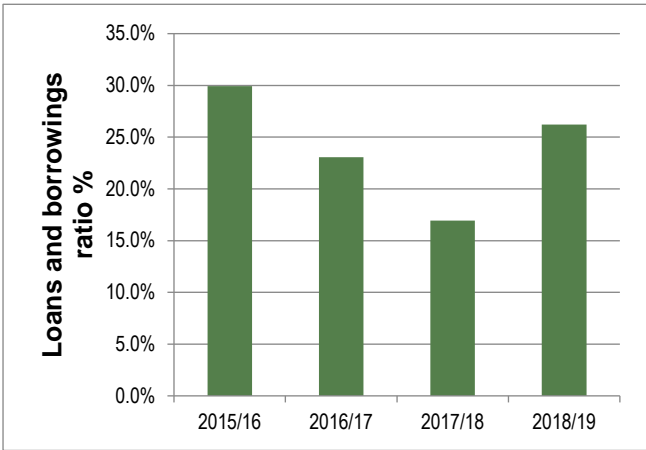
Liquidity

The working capital ratio has increased from 126.3% to 171.6% and is mainly due to a number of grants received in advance for projects that will commence in the 2019/20 financial year. These include the Reid Oval upgrade and funding for the Port of Warrnambool. The working capital ratio which assesses Council’s ability to meet current commitments is calculated by measuring Council’s current assets as a percentage of current liabilities. Council’s result of 171.6% is an indicator of satisfactory financial position and within the expected target band of 100% to 200%.



Obligations

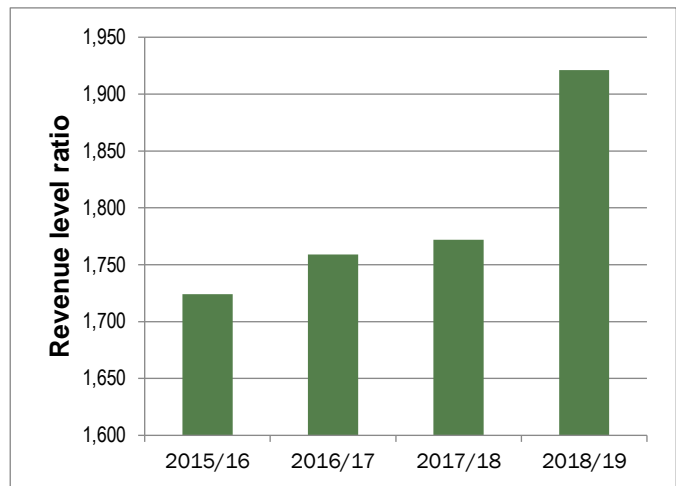
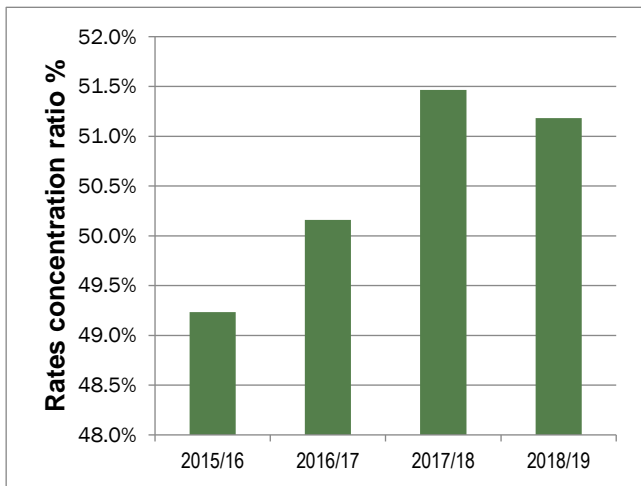
Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To help bridge the current infrastructure gap, council invested \$12.96 million in renewal works during the 2018-19 year which was consistent with 2017-18. Council’s asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation was 110.3%. At the end of the 2018-19 year council’s debt ratio which is measured by comparing interest-bearing loans and borrowings to rate revenue was 26.2% which is within the expected target band of 20%-60%. Council borrowed \$5.50 million to fund the completion of the Simpson Street drainage upgrade. Council is guided by the borrowing strategy and the long term financial plan as to when it is appropriate to borrow new funds.



Stability and efficiency

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

Council's rates concentration which compares rate revenue to adjusted underlying revenue was 51.2% for the 2018-19 year which is within the expected target band of 40%-60%. This is a small decrease on prior years. Council's average residential rate per residential assessment of \$1,921 has increased on prior years driven mainly by a \$69 per assessment increase to the waste management charge as a result of the issues within the recycling market and the introduction of the new FOGO service.



Description of operations

Warrnambool City Council provides a diverse range of services which include: the building and maintenance of municipal roads, footpaths, cycling paths and public amenities; waste management; tourism and economic development; Meals on Wheels, respite care, recreation services including provision and maintenance of sporting facilities; planning; a live performance theatre, aquatic centre and art gallery. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan 2017-2021, the 2018-2019 Council budget and the annual report.

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

Economic factors

In its annual report of 2017-2018 Council indicated that the impact of rate capping had reached the point where, unless a variation to the rate cap was granted, maintenance and renewal of all of Council's assets would not be possible without changes to service levels.

In the first half of 2019 Council successfully applied to the Essential Services Commission seeking to apply a rate increase of 4.5 per cent over the next three years. The Commission allowed for a rate variation only over 2019-2020 and 2020-2021. In May 2019 Council voted to apply a rate increase of 4.5 per cent in 2019-2020.

Major capital works

In late 2018 Council completed the second major phase of the \$17 million City Centre Renewal which resulted in the transformation of the southern block of Liebig Street, the commercial and retail heart of Warrnambool.

Improvements within the city centre continued in 2019 with upgrades to intersections at Kepler and Timor streets and Koroit and Kepler Streets – the latter intersection to be completed in the 2019-2020 financial year.

Major improvements were also made to the Simpson Street stormwater drainage tunnel while a major road upgrade was completed in early 2019 along Boiling Down Road.

Major changes

Some early childhood services were relocated from the Florence Collins Children's Centre to other Council facilities after water damage necessitated repairs to the building, which is in Kepler Street. The relocation of service and children to other Council facilities also required the temporary relocation of early childhood administration staff to the Archie Graham Community Centre.

Repairs to the Florence Collins building were expected to take several months to complete.

Our Council

Warrnambool City Council profile

The Warrnambool municipality is 120sqkm in size and situated in the Great South Coast region of Victoria, 263km south-west of Melbourne.

It contains the coastal city of Warrnambool and the towns of Allansford, Bushfield and Woodford.

Warrnambool has a growing population and over recent years has attracted people seeking a seachange and those from the region who are seeking professional and educational opportunities.

Recent research by leading firms Deloitte Access Economics and Ipsos has revealed that Warrnambool is considered Victoria's most liveable city. This research considered factors including health and education services, access to natural attractions and housing affordability.

Stunning Lady Bay provides a focal point and major attraction for residents and visitors and in winter and spring the bay is home to southern right whales and their calves.

Warrnambool serves as a centre for a regional population of about 120,000 people. It contains a TAFE college, a Deakin University campus including a School of Medicine and a base hospital which is part of South West Healthcare.

The major employment sectors are health care and social assistance, retail, manufacturing, education and training, accommodation and food services, professional services and construction.

Warrnambool has a moderate climate with an average maximum summer temperature of about 24°C, while the average winter maximum is about 14°C.

The Great South Coast region features major visitor attractions including the 12 Apostles, Tower Hill and Budj Bim National Park.

Along with the natural attractions visitors are drawn to events including the speedway car racing, the May Racing Carnival and surf life saving events.

The region also features some of Australia's most fertile agricultural land much of which is dedicated to dairy and beef production. Major dairy manufacturers and a large meat processor are situated in and around Warrnambool providing a major source of employment.

Council office

Civic Centre

25 Liebig Street

Warrnambool 3280

Email: contact@warrnambool.vic.gov.au

Website: www.warrnambool.vic.gov.au

Postal address: PO Box 198 Warrnambool Victoria 3280

Councillors

Warrnambool City Council is an unsubdivided municipality with each Councillor elected by all voters. The seven Councillors were elected in October 2016 for a four-year term.

Council holds regular open meetings at which key decisions are made. The seven-member Council was elected in October, 2016. Cr Tony Herbert was elected mayor on October 9, 2018, succeeding Cr Robert Anderson.



Cr Robert Anderson

Mayor October 2017 to October 2018

Mobile: 0428 115 397

Email:

randerson@warrnambool.vic.gov.au



Cr Sue Cassidy

Mobile: 0417 438 470

Email:

scassidy@warrnambool.vic.gov.au



Cr Kylie Gaston

Mobile: 0437 623 715

Email:

kgaston@warrnambool.vic.gov.au



Cr Tony Herbert

Mayor, October 2018 onwards

Tel: 0407 800 510 (business hours)

Mobile: 0427 669 760

Email:

therbert@warrnambool.vic.gov.au



Cr Peter Hulin

Tel: 0411 697 052 (business hours)

Mobile: 0428 411 169

Email:

phulin@warrnambool.vic.gov.au



Cr Michael Neoh

Mobile: 0408 543 638

Email:

mneoh@warrnambool.vic.gov.au



Cr David Owen

Mobile: 0419 615 887

Email:

dowen@warrnambool.vic.gov.au

Organisational structure

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the council plan. Four directors and the CEO form the Executive Management Team and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.

Chief Executive Officer

Peter Schneider

Director Corporate Strategies

Peter Utri

- Communications
- Financial Services
- Information Services
- Revenue and Property
- South-West Victorian Livestock Exchange

Director City Infrastructure

Scott Cavanagh

- Infrastructure Services
- City Amenity
- Facilities and Projects

Director Community Development

Vikki King

- Community Planning and Policy
- Recreation and Culture
- Capacity, Access and Inclusion
- Children's and Family Services

Director City Growth

Andrew Paton

- Economic Development and Investment
- City Strategy and Development
- Visitor Economy

Organisational chart

Council			
Chief Executive, Peter Schneider Executive Assistance, Wendy Clark Manager Governance, Anne-Maree Neal			
Director City Growth Andrew Paton	Director City Infrastructure Scott Cavanagh	Director Corporate Services Peter Utri	Director Community Development Vikki King
Manager Economic Development and Investment , Shaun Miller Manager City Strategy and Development , Jodie McNamara Manager Visitor Economy Vacant	Manager Infrastructure Services , Luke Coughlan Manager City Amenity , Glenn Reddick Manager Facilities and Projects , Ben Storey	Manager Revenue and Property , Glendon Dickinson Manager Organisation Development , Simon Fleming Manager Information Services , Peter Newell Manager South-West Victorian Livestock Exchange , Paul White Manager Financial Services , David Harrington Manager Communications , Nick Higgins	Manager Community Planning and Policy , Lisa McLeod Acting Manager Recreation and Culture , John Finnerty Manager Capacity, Access and Inclusion , Richard Stone Manager Children's and Family Services , Tina McLeod

Council staff

A summary of the number of full time equivalent (FTE) council staff by organisational structure, employment type and gender is set out below.

Employee type/gender	Executive FTE	Corporate Strategies FTE	Community Development FTE	City Infrastructure FTE	City Growth FTE	Total FTE
Full-time male	1	20	12	79.9	21.7	134.6
Full-time female	3	9	45.9	12	16.8	86.7
Part-time male	0	2.1	11	9.6	2.7	25.4
Part-time female	2	14.6	89.4	8.3	10.3	124.6
Casual male	.5	-	2.4	.6	-	3.5
Casual female	-	.3	18.7	.6	.9	20.5

Council staff

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Employment Classification	Male FTE	Female FTE	Total FTE
Band 1	3.6	6.1	9.7
Band 2	12.4	16.7	29.1
Band 3	42.8	45.4	88.2
Band 4	27.0	52.5	79.5
Band 5	18.3	36.5	54.8
Band 6	27.4	17.9	45.3
Band 7	12.0	14.5	26.5
Band 8	1.0	0	1.0
Unbanded	18.9	42.3	61.2
Total	163.4	231.9	395.3

Equal employment opportunity program

Warrnambool City Council is an equal opportunity employer committed to providing a safe working environment that embraces and values child safety, diversity and inclusion

Other staff matters

Enterprise bargaining agreement

In June 2019 all Council staff were invited to take part in a vote on the proposed Warrnambool City Council Enterprise Agreement No.8. The ballot remained open until July 5, 2019. The outcome of the vote count was the 59.7 per cent of respondents voted against the agreement with 40.3 per cent of the vote in favour. Until another agreement is developed and endorsed the terms and conditions of employment contained within WCC Enterprise Agreement No.7 – 2016 remain in place.

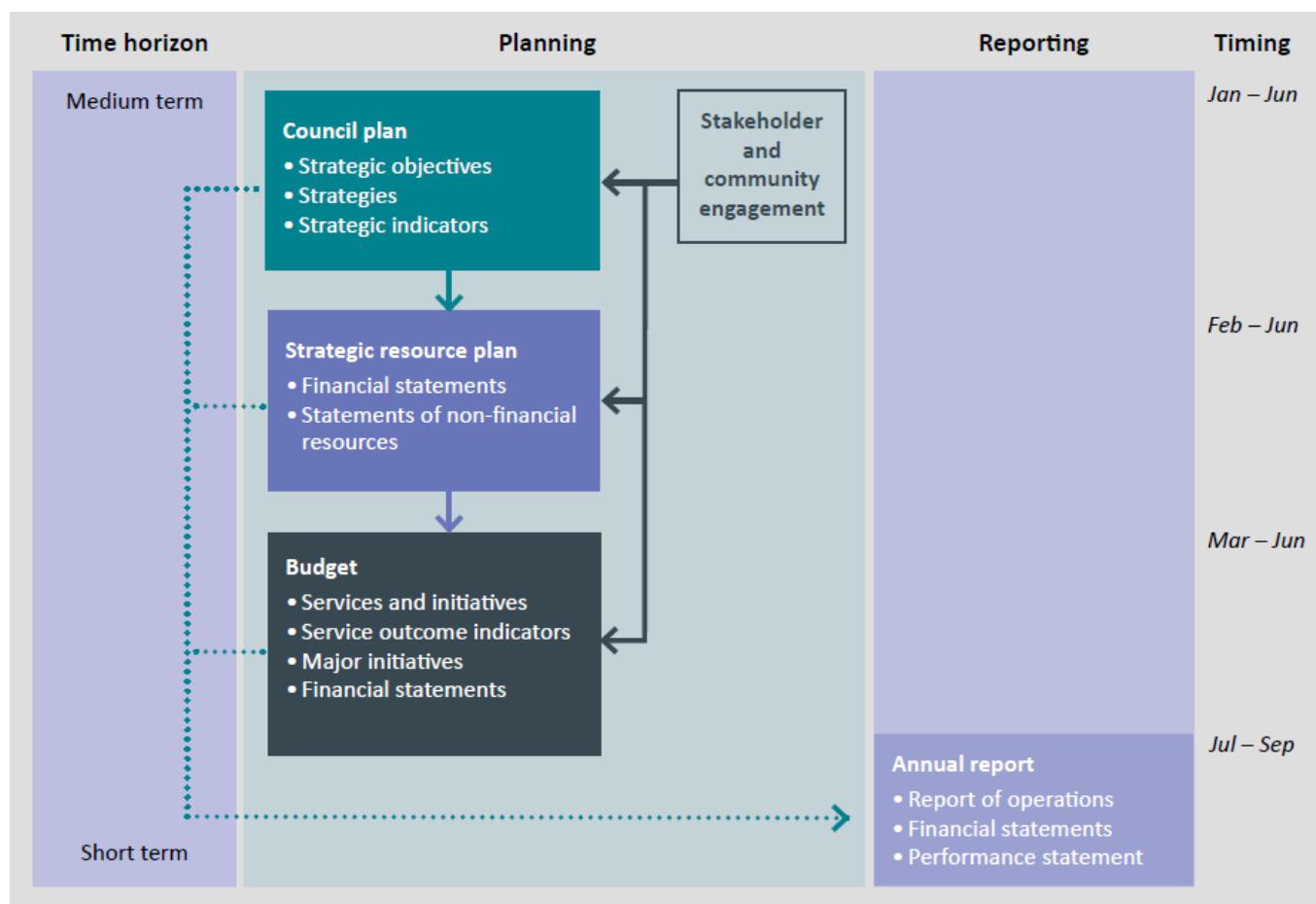
Our performance

Planning and accountability framework

The Planning and Accountability Framework is found in part 6 of the Local Government Act 1989 (the Act). The Act requires councils to prepare the following planning and reporting documents:

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

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Council Plan

The council plan 2017-21 includes strategic objectives, strategies for achieving these for the four year period, strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan. The following are the five strategic objectives as detailed in the council plan.

1. Sustain, enhance and protect the natural environment

We will protect our waterways, coast and land; prepare for climate change; investigate options to minimise our waste and look to derive positive outcomes from eco-business.

2. Foster a healthy, welcoming city that is socially and culturally rich

We will seek to have more people feeling healthy and well; have more people learning; have more people culturally involved; have more people connected and participating; we will be resilient in emergencies and be a healthy and safe place to live and study.

3. Maintain and improve the physical places and visual appeal of the city

We will have more of our city connected; we will be a vibrant city; our infrastructure will be fit-for-purpose; we will provide greater amenity and ease of movement and we will be proud of what we already have.

4. Develop a smarter economy with diverse and sustainable employment

We will grow our population; we will have a more sustainable local economy; we will have a more beneficial visitor economy and we will have more modern infrastructure.

5. Practice good governance through openness and accountability while balancing aspirations with sound financial management.

Council will provide strong advocacy for the community and region. It will practice transparent decision-making while delivering services efficiently and effectively.

Performance

Council's performance for the 2018-2019 year has been reported against each strategic objective to demonstrate how council is performing in achieving the 2017-2021 council plan. Performance has been measured as follows:

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

Council Plan

The information below describes the progress made in each of the activities and initiatives described in the Council Plan 2017-2021.

Strategic Objective 1. Sustain, enhance and protect the natural environment

Strategy: protect and enhance our waterways and coast.

Action	Status	Progress	Comment
Implement the Coastal Management Plan and Vegetation Management Plan.	Progressing	65%	Implementation of the plan continues with key projects under way including the renewal of the Moyjil beach access and Lady Bay beach access to improve safety. The Coastal Vegetation Management Plan implementation is ongoing.
Ensure compliance with Local Laws relating to horses on Lady Bay.	Completed	100%	This action is ongoing. Increased patrols by officers and regular contact with the Warrnambool Racing club and SWOTRA ensures the riders and trainers are aware of the need for compliance.
Ensure all septic tanks meet EPA guidelines and requirements.	Progressing	90%	Development of the Domestic Water Management Plan began June 2019 and will conclude in November 2019. Among the outcomes of the Plan will be risk maps; random audits of systems to monitor their health; recommendations to strategic planners; liaison with Wannon Water and other key stakeholders.
Manage and implement the Moyjil Cultural Heritage Plan.	Progressing	45%	A significant milestone was achieved with the publication by the Royal Society of Victoria of the scientific findings in relation to Moyjil. The research provides strong evidence to indicate human occupation from 120,000 years ago. Further research and techniques will be investigated and options explored with Traditional Owners and agency representatives who form the Moyjil Advisory Committee.
Review recycling practices in the city and develop short and long-term options for recycling processes.	Progressing	50%	Community consultation with options released for comment July 2019.
Continue the Bag It, Bin It, dog litter reduction campaign to reduce dog littering.	Not progressing	25%	Local Laws officers include some monitoring in their regular patrols. This has limited impact and funding for a more regular presence is required.
Develop an asset management plan for coastal protection assets and seek funding for their management.	Completed	100%	The Port of Warrnambool Asset Management Plan was adopted by Council.

Strategy: commit to being a carbon neutral organisation by 2040.

Action	Status	Progress	Comment
Commence implementation of the new Warrnambool sustainability plan.	Progressing	80%	The implementation of this strategy continues with delivery of key initiatives in sustainability and environmental management, including the inaugural Renewable Energy Forum on community renewable energy and the solar program for households.
Reduce reliance on landfill by diverting organic material from waste streams through education.	Completed	100%	Full FOGO rollout was completed. Preliminary data suggest reductions of up to 80 tonne per month.

Strategy: assess our climate change preparedness.

Action	Status	Progress	Comment
Deliver the Barwon South West – Local Coastal Hazard Assessment – Stage 1 Pursue funding for Stage 2.	Progressing	35%	Pursuit of funding for Stage 2 of the Local Coastal Hazard Assessment is ongoing with discussions with DELWP and the Coastal Environments Program.

Strategy: Review options for managing waste

Action	Status	Progress	Comment
Investigate opportunities for waste to energy to reduce reliance on landfill.	Progressing	70%	Draft feasibility analysis received. Final draft report being prepared.

Strategy: Educate and partner with the community on Council's sustainability initiatives.

Action	Status	Progress	Comment
Prepare a foreshore master plan specifically investigate potential for eco-tourism at the foreshore.	Progressing	70%	Draft Foreshore Precinct Plan completed. Draft project brief for integration with other Master Plans to be completed. (eg. Lake Pertobe, Port of Warrnambool, Belfast Coastal Reserve Management Plan).
Work with the community to advocate for Warrnambool to be a plastic bag-free city.	Completed	100%	While State Government has now taken the lead, Council has a role in advocating for change. Through the FOGO rollout, Council has run effective education programs on compostable kitchen caddy bin-liners to reduce reliance on single-use plastic bags and to minimise contamination in the FOGO stream. This will be ongoing.

Major initiatives

Completion of the rollout of the Food Organics Garden Organics (FOGO) collection service.
Development and adoption of the Port of Warrnambool Asset Management Plan.

Services

The following statement provides information in relation to the services funded in the 2018-2019 budget and the people or sections who are provided the service.

Service	Description	Net cost \$'000 Actual budget Variance
Environmental management	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	493
		531
		38
Waste management and street cleaning	This service provides kerbside rubbish collections of garbage, and recycling waste from all households and some commercial properties in Council. It also provides street cleaning, leaf collection, street litter bins throughout Council and Food Organics Green Organics collection trial.	4,013
		3,923
		(90)
Parks and gardens	This service covers a range of areas such as tree pruning, planting, removal, planning and street tree strategies, management of conservation and parkland areas, creeks and other areas of environmental significance. Parks Management provides management and implementation of open space strategies and maintenance programs.	3,949
		3,951
		2

Service performance indicators

Service/indicator/measure	Results				Material variations and comments
	2016	2017	2018	2019	
Waste Collection					
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	119.23	205.76	151.48	162.81	
Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	1.84	5.24	3.87	4.49	The increase in missed bins relates to a performance issue by the collection contractor which occurred towards the end of the previous contract. The increase relates to an additional 1 to 2 bins missed per week.
Services Cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$105.93	\$104.22	\$109.29	\$111.26	
Cost of kerbside recyclables collection service (Direct cost of the kerbside recyclables collection bins)	\$26.81	\$27.55	\$29.25	\$59.15	This increase reflects the impact of the recycling crisis over a complete financial year. The crisis resulted in an industry reset which the State Government and regional waste groups helped broker.
Waste diversion Kerbside collection diverted from landfill (Weight of recyclables and green organics collected from kerbside bins/weight of garbage, recyclables and green organics collected from kerbside bins) x 100	38.30%	38.09%	37.73%	47.78%	The increase in waste diversion is directly related to the introduction of the kerbside FOGO service.

Strategic objective 2. Foster a healthy, welcoming city that is socially and culturally rich

Strategy: promote healthy lifestyles.

Action	Status	Progress	Comment
Ensure compliance with the Tobacco Act and MAV Tobacco Agreement.	Completed	100%	As part of this ongoing MAV Agreement, all tobacco outlets undergo four Tobacco Test Purchase activities each year. Education visits are conducted at all food premises with outdoor dining areas, as well as four similar visits to South West Healthcare.
Implement Warrnambool - A Healthy City 2017-2021	Completed	100%	Key HWB activities included - "This Girl Can 3280" - a VicHealth funded campaign to get women participating in physical activity which delivered: <ul style="list-style-type: none"> • 76 new female-friendly program activities delivered over six weeks • 15 partners involved delivering the activities • More than 430 women participated in the free activities. • Posters and calendars were displayed at more than 20 locations including schools, workplaces and program partner venues. "Every Day Counts" campaign which aims to raise community awareness of the impact of absenteeism on school outcomes. Achievements include: <ul style="list-style-type: none"> • Strong school support with active partnership from 7 primary schools and 2 secondary schools • Key campaign messages developed and refined with partners and Term 1 campaign delivered to positive feedback.
Increase understanding of priority health and wellbeing issues in the community.	Completed	100%	Strong campaign results were achieved for Last Drinks Warrnambool (alcohol harm), This Girl Can (increasing physical activity) and Meet your Street (encouraging social connection) via traditional and social media channels and with partners in schools, council facilities and services and partner workplaces.
Encourage social connection and promote active living in public spaces.	Completed	100%	This Girl Can (increasing physical activity) and Meet your Street (encouraging social connection) campaigns were successfully delivered with a series of well supported events and campaigns being rolled out via traditional and social media channels and with partners in schools, council facilities and services and partner workplaces.
Provide communications support to promote Council services and facilities.	Completed	100%	Material and media releases produced to advise AquaZone customers of the short-term closure of the swimming pools while upgrades were made to air handling and water treatment systems. Engagement materials designed and produced for consultation on recycling options.
Support Youth Council to implement their annual action plan.	Completed	100%	New Youth Council established.
Ensure premises operating under the Food Act and Public Health Act are inspected before a renewal of registration is granted.	Completed	100%	All Food Act and Public Health Act premises have been inspected in this reporting period.

Strategy: seek, equity, access and inclusion for everyone.

Action	Status	Progress	Comment
Partner with local agencies and organisations to address health and wellbeing priorities.	Completed	100%	WCC service areas including AquaZone, WAG and Archie Graham, along with other community groups and local businesses supported the This Girl Can campaign and calendar of free events. Planning for the federally funded Welcome to Warrnambool Cultural Orientation Program commenced with key partner Brophy Youth and Family Services. The "Pirtup Trail" at Lake Pertobe will be a partnership project with collaboration between the Aboriginal community, Aboriginal Victoria, Gunditjmarra, Gunditj Mirring, Nature Glenelg Trust, and Glenelg Hopkins Catchment Management Authority and Council to develop and deliver this important element of the Lake Pertobe BBR Program.
Ensure immunisation facilities are fit-for-purpose. Facility has been review and identified to be too small for the purpose of activities required. This has been referred to the budget process for consideration to enlarge the area.	On hold	25%	The immunisation room requires expansion which will require funding.
Increase influenza immunisation. The immunisation service is limited to conducting off-site flu vaccinations for business due to the inability to access the immunisation room on an additional day to conduct a walk-up service for the public.	Completed	100%	Further progress will depend on expanding the existing immunisation facility.
Maintain and enhance child immunisation rates (from 95 per cent coverage).	Completed	100%	Cohort 1 (1 year old) 94.38% Cohort 2 (2 year old) 98.02% Cohort 3 (5 year old) 96.88%
Continue to work in partnership with the Primary Care Partnership to implement priority health promotion and prevention initiatives across the South West.	Completed	100%	WCC and SW Primary Care Partnership continue to partner on the Warrnambool Violence Prevention Board to deliver Last Drinks Warrnambool and to seek funding to undertake initiatives to address harm from alcohol. SWPCP continue their active support of the Warrnambool 2040 Plan's people goals.
Support the collection of new, consistent data and evidence to inform strategic and service planning.	Completed	100%	Council participated in the 2019 National Cycling Participation Survey which will provide data around rates of physical activity and will also inform both the ride to work/school campaigns and the development of a Principal Bike Network Plan. Social media data for Warrnambool's CBD and foreshore has been sourced as a trial from Neighbourlytics which will assist in monitoring W2040 outcome measures. WCC is encouraging schools to again participate in the 2019 Middle Years Development Index (MDI) for children in year 5 and 7 levels which provides important data about how children and young people are faring. Officers are also supporting SW

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			Primary Care Partnership to develop a data portal and consistent measures for Health and Wellbeing monitoring.
Encourage residents to be prepared for emergencies, increase awareness of local emergency alerts/warnings and share preparedness resources and information with residents.	Completed	100%	Connect Warrnambool Facebook continues to be used effectively for sharing information issued by Vic Emergency. Council has disseminated emergency preparedness messages and alerts across the sub-region (up to 80km from Warrnambool) - reaching into Moyne Shire.
Establish a parenting program supporting the needs of fathers within the community.	Pro-gressing	80%	Commencement of First Parent groups in the evening enabling dads to attend outside of work hours. Presentations on play, development and attachment. Also CFA and family home safety education.
Develop a kiosk information centre for families to navigate children's services and activities within the community.	On hold	70%	The kiosk installation is on hold due to the relocation of Children's Service Centre and Florence Collins Children's Services complex.
Continue with the Victorian Government's Roadmap for Reform and commence implementation of the 10-Year Early Childhood Reform Plan across all Early Years Learning and Development Units, services and alliance networks.	Completed	100%	First year targets implemented and achieved.
Expand access to early learning and development opportunities for children and increase support for parents through the introduction of the Supported Playgroup Program. Pilot two supported playgroups in the Warrnambool municipality and test the models and their applicability to Warrnambool communities.	Completed	100%	Pilot program implemented and with results exceeding expectations.
Enable child safety standards across the Early Years Learning and Development Unit.	Completed	100%	Child Safety Standards fully implemented across early years services, and will be maintained and monitored annually.
Complete the principle pedestrian network plan to inform future investment in our pathways and support sustainable transport.	Pro-gressing	85%	The Draft Principal Pedestrian Network Plan and its community consultation strategy will be presented to Council in the 2019-2020 financial year.

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Ensure regional assessment targets are met and that quality processes and procedures are adhered to.	Completed	100%	Quarterly Regional Assessment Service quality framework completed. The report demonstrated a high level of client satisfaction. Self-audit tool show that the service is meeting expected requirements.
Continue to implement Council's Disability Action Plan.	Completed	100%	All annual targets met. Warrnambool City Councils Disability Action Plan 2017 -2026 contains 43 actions, of which 18 are 'Ongoing' with annual reviews and 25 have specific completion dates.
Ensure that Client care plans are completed and reviewed.	Completed	100%	All care plans have been reviewed and are complete.
Implement Council's Wellness, Reablement and Diversity Plans.	Completed	100%	Updated Wellness, Reablement and Diversity Plans submitted to the Department of Health and Human Services. Council's Regional Development Coordinator worked with Aboriginal community organisations to explore projects that respond to the reforms in the aged care sector.

Strategy: increase community health and social connections.

Action	Status	Progress	Comment
Establish Archie Graham as a central point of information for health and wellbeing activities and opportunities for older adults	Completed	100%	The Archie Graham Community Centre is now a central point of information and activities for health and wellbeing opportunities for older adults. Archie Graham Community Centre bi-monthly newsletter distributed to over 1200 patrons. Centre activities have high participation rates with most at full capacity.
Increase connectedness and build health and wellbeing knowledge of local people via social media.	Completed	100%	Connect Warrnambool published 225 Facebook posts from 1 April to 30 June 2019 and increased reach and engagement on the same time last year. Posts which encourage changed behaviour (including increased physical activity, being social and reducing risky drinking), messages to promote health and wellbeing priorities and fostering emergency preparedness and resilience and promoting community events, programs and activities have been extensive.
Continue to support active volunteerism within the local community	Completed	100%	Volunteer Connect continues to provide strong support to volunteer-involving organisations. Volunteer numbers in the community continue to increase.
Implement the Aquazone Annual Business plan and make improvements to drive increased visitation.	Completed	100%	Revision of 2019/20 business plan complete.

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Update AquaZone's water treatment system	Completed	100%	Construction works are under way to replace the Water Treatment System. First stage of works complete. The project runs over two financial years and will continue into late 2019.
Complete the following recreation infrastructure projects: (i) Dennington Recreation Reserve Pavilion Redevelopment and sewer upgrade; and, (ii) Mack Oval irrigation development.	Completed	100%	Dennington Recreation Reserve sewer upgrade is complete. Mack Oval Irrigation is complete.
Seek funding to commence implementation of Lake Pertobe Master Plan.	Completed	100%	Council received \$1.45m under the Federal Government's Building Better Regions Fund in March 2019.
Implement Stage 2 of the healthier choices project at Warrnambool Stadium kiosk.	Completed	100%	Sports participation on target for 2019/20.
Host the South West Regional Championships at the Warrnambool Gymnastics Centre in partnership with the Springers Gymnastics Club.	Completed	100%	Event successfully hosted with positive feedback from participants and Gymnastics Victoria.
Complete the Great South Coast Regional AFL, Netball and Cricket Strategy and work with stakeholders to commence implementation.	Completed	100%	Project completed and Council received the final report in July 2019.
Complete the Active Warrnambool Strategy and work with stakeholders to commence implementation.	Completed	100%	All annual actions complete. The draft final report was presented to Council in July 2019. The report is currently on display for public comment. The final report will be presented to Council in August 2019.
Complete the Reid Oval Preliminary Business Case project and advocate for capital investment to implement the Development Plan priorities.	Completed	100%	Reid Oval Redevelopment Project has commenced. Council will continue to seek the remaining required funding.
Introduce a new enclosed dog park in consultation with the community.	Progressing	60%	Construction commenced July 2019.

Strategy: encourage and support more lifelong learning.

Action	Status	Progress	Comment
Warrnambool Branch Library to promote early reading programs to support literacy in young children.	Completed	100%	Warrnambool Library runs regular programs with a focus on early years Literacy including story time and rhyme time. Preschool programs run year-round including through the school holidays. In conjunction with the State Library of Victoria, the Warrnambool Library also runs the 1000 books before school program.
Present the LINK (library) business case to government and continue to advocate for capital investment in the project.	Completed	100%	Achieved. The State Government has allocated \$16.3m to the project.
Implement the new childcare funding package across childcare services.	Completed	100%	The first year implementation complete. Further work will be required in the next financial year as updates and changes are announced.
Provide early engagement opportunities which support early learning and parenting through supported playgroups.	Completed	100%	Supported Playgroups have been implemented into the community with regular attendance from young families. Regular referrals occurring via the Maternal Child Health process along with other agencies such as Child Protection.
Improve school readiness outcomes through the implementation of the DET School Readiness Funding.	Completed	100%	School Readiness funded programs delivered across the 12 kindergarten sites. The sessions included training for staff and sessions for children and families to support children's communication, wellbeing, access and inclusion.
Continue to provide high quality early years programs within early years services.	Completed	100%	Continued assessment against National Quality Standards, receiving "exceeding" rating for Lions Hopkins Kinder during the 12-month period.

Strategy: engage a broader range of people in cultural activities

Action	Status	Progress	Comment
Work with the appropriate stakeholders to progress development of improved tourism product initiatives at Tower Hill and Moyjil.	Completed	100%	Master planning project for Tower Hill has commenced. Traditional Owner and other stakeholder engagement occurring. Project Control Group formed comprising Parks Victoria, RDV, Moyne Shire, Warrnambool City Council, Great Ocean Road Regional Tourism, VicRoads and Visit Victoria.
Develop and deliver a Warrnambool Art Gallery calendar of exhibitions and education programs which attract identified target audiences.	Completed	100%	WAG delivered a successful program of exhibitions and events with WAG visitation 66,665 in 2018-19 (increased from 53,041 in 2017-18).
Develop a Warrnambool Art Gallery vision and 10-year strategy.	Completed	100%	WAG held a Stakeholder Engagement Forum in June 2019 with 50 community partners including: WAG Industry Panel members, WAG Foundation, Friends of WAG, Maar Nation Steering Committee, local arts and culture representatives

			(PGAV, RAV) and other internal and external partners. Reflections from the forum will help complete the gallery's 10-year vision and strategy.
Foster community partnerships to deliver arts workshops at the Lighthouse Theatre.	Completed	100%	The 2019 Primary Performers program saw 80 local primary school aged children taking part in the musical Beauty & The Beast Jr, supported by over 100 parents, guardians and community volunteers; performing to over 1400 patrons across four performances.

Strategy: actively acknowledge local Aboriginal culture.

Action	Status	Progress	Comment
Engage Aboriginal elders in Council's strategic planning and include Aboriginal culture, stories and language in projects whenever appropriate.	Completed	100%	Gunditjmara Cooperative, Aboriginal Victoria and Victorian Council for Aboriginal Languages supported a major funding application to Building Better Regions for investment in a renewed Lake Pertobe Playspace which will incorporate indigenous stories and language into a soundscape, walking trail and natural play elements. This successful funding application will see strong partnership around the delivery of indigenous play elements, cultural interpretation and a soundscape through a project given the working title of "Pirtup Trail".
Involve Aboriginal community members in the design of relevant priority projects identified in the Botanic Gardens and Lake Pertobe master plans.	Completed	100%	Ongoing work will see Gunditjmara Cooperative, Aboriginal Victoria and Victorian Council for Aboriginal Languages collaborate to support the Lake Pertobe Renewal Program which will see indigenous stories and language incorporated into a trail. This will see strong partnership around the delivery of indigenous play elements, cultural interpretation and a soundscape through a project given the working title of "Pirtup Trail".

Strategy: increase participation opportunities for disadvantaged members of the community

Action	Status	Progress	Comment
Establish Archie Graham Community centre as a culturally safe environment.	Completed	100%	All annual actions complete. Reconciliation Week closing ceremony event conducted at the Archie Graham Community Centre. A wide range of culturally diverse community groups regularly use the centre to meet and socialise.

Major initiatives

Commencement of a Warrnambool Art Gallery vision and 10-year strategy.
Successful advocacy for new shared library with South West TAFE.

Services

The following statement provides information in relation to the services funded in the 2018-2019 budget and the people or sections who are provided the service.

Service	Description	Net cost Actual budget variance
Community support services	Government funded programs aimed at improving community participation, rural access programs and facilitation of migration to the South West and volunteer programs.	57 52
		(5)
Aged services	This area provides a range of services including meals on wheels, personal care, respite, home maintenance, home care, adult day care and senior citizens programs.	376 510
		134
Family services	This service provides family orientated support services including pre-schools, maternal & child health, child care, counselling & support, youth services, immunisation, family day care.	866 1,105
		239
Art and culture	Provision of high-quality venues where people can see, present and explore the arts, ideas and events provided at the Warrnambool Art Gallery and Light House Theatre.	890 907
		17
Library services	Provision of quality library and information services to the community.	967 960
		(7)
Recreation	Provision of sport, recreation and cultural facilities, service and programs in response to identified community need and to provide information and advice to clubs and organisations involved in these areas.	383 364
		(19)
Leisure centres	The Warrnambool Stadium and Aquazone provide premier indoor community leisure facilities in South West Victoria, providing equitable and affordable access to a wide range of aquatic and fitness activities.	570 490
		(80)
Health services	Administrations of legislative requirements pertaining to public health, immunisation and food premises.	99 121
		22
Festival and events group	Delivers a range of promotions, festivals and events along with attracting events to the city to deliver economic benefits.	1,198 1,063
		(135)

Service performance indicators

Aquatic facilities	2016	2017	2018	2019	Material Variations and Comments
Satisfaction User satisfaction with aquatic facilities (optional) [User satisfaction with how council has performed on provision of aquatic facilities]	N/A	N/A	N/A	N/A	Not measured, optional
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	1.00	2.00	
Health and Safety Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	0.00	0.00	0.00	Nil reportable incidents
Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$1.94	\$1.92	\$1.76	\$2.07	
Service Cost Cost of outdoor aquatic facilities [Direct cost of indoor aquatic facilities less income received/ Number of visits to outdoor aquatic facilities]	\$3.33	\$3.52	\$3.63	\$4.36	
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	7.14	6.86	6.94	6.85	

Service performance indicators

Animal Management	2016	2017	2018	2019	Material Variations and Comments
Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	1.00	
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	80.92%	88.38%	80.54%	84.24%	
Service cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$27.95	\$32.04	\$72.55	\$90.05	Full year impact in costs associated with the new RSPCA service contract
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	0.00	0.00	0.00	0.00	Nil prosecutions for the reporting period.

Service performance indicators

Food Safety	2016	2017	2018	2019	Material Variations and Comments
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.00	1.38	1.00	1.00	
Service Standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	100.00%	82.76%	99.28%	99.64%	
Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$371.80	\$359.21	\$378.90	\$323.36	Our direct costs have reduced due to a reduction in staffing levels, at the same time, the number of premises has risen from 586 to 619
Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	95.35%	100%	84.24%	In the 2017-2018 critical and non-compliances were identified, with follow up actions completed within the same reporting period. In 2018-2019 notifications were only identified weeks prior the period end, with follow up actions completed in the 2019-2020 reporting period

Service performance indicators

Home and Community Care (HACC)	2016	2017	2018	2019	Material Variations and Comments
Timeliness Time taken to commence the HACC service [Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]	3.11	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016
Service standard Compliance with Community Care Common Standards [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	66.67%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016
Service cost Cost of domestic care service [Cost of domestic care service / Hours of domestic care service provided]	\$57.35	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016
Service Cost Cost of personal care service [Cost of the personal care service / Hours of personal care service provided]	\$64.75	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016
Service cost Cost of respite care service [Cost of the respite care service / Hours of respite care service provided]	\$51.34	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016
Participation Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	34.28%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016
Participation Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	12.99%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016

Service performance indicators

Libraries	2016	2017	2018	2019	Material Variations and Comments
Utilisation Library collection usage [Number of library collection item loans / Number of library collection items]	5.16	5.17	4.72	4.49	
Resource standard Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	76.44%	74.50%	68.40%	69.03%	
Service cost Cost of library service [Direct cost of the library service / Number of visits]	\$6.77	\$7.01	\$7.41	\$8.13	
Participation Active library members (Number of active library members/municipal population) x 100	15.83%	15.56%	14.37%	13.77%	

Service performance indicators

Maternal and Child Health (MCH)	2016	2017	2018	2019	Material Variations and Comments
Satisfaction Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	98.33%	100.57%	96.73%	96.07%	
Service standard Infant enrolments in the MCH service (Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	95.22%	96.33%	95.64%	99.74%	
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$81.65	\$78.56	\$95.57	\$75.13	In reviewing this year's costs against previous years, Council identified a costing error with 2017-2018 figure.
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	74.65%	75.25%	73.63%	76.99%	
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	60.00%	63.75%	61.33%	73.24%	Emphasis on encouraging participation in the service.

Strategic Objective 3. Maintain and improve the physical places and visual appeal of the city

Strategy: enhance movement in and around the city including better connections for cyclists and pedestrians.

Action	Status	Progress	Comment
Consider the recommendations from the Cycling Reference Group and implement any actions adopted by Council.	Completed	100%	The Cycling Reference group continues to provide feedback on a range of cycling matters.

Strategy: create a more vibrant city through activating high quality public places.

Action	Status	Progress	Comment
Implement the key initiatives of the Open Space Strategy.	Progressing	100%	The Open Space Strategy is ongoing and progressing. In progress are: <ul style="list-style-type: none"> • adoption and implementation of the Lake Pertobe Master Plan; • Deakin to City Centre Feasibility Study; • East Parks development; • draft Wayfinding Strategy prepared; • commencement of The South of Merri Open Space Precinct Plan.
Implement an Open Space Contributions Policy.	Progressing	80%	The Open Space Contributions Policy is a key action from the Open Space Strategy and an Open Space Contributions review and draft policy has been completed. A peer review of the draft review report and policy was undertaken and is being reviewed.
Develop city pride and story through development of town entrances.	Completed	100%	Entry sign installed. Ongoing work at other entrances.
Implement food van trading plans for the harbour and city centre precincts.	Completed	100%	Itinerant trading Policy adopted by Council on July 1, 2019.

Strategy: build infrastructure that best meets current and future community needs

Action	Status	Progress	Comment
Consider special rates and charges schemes to develop footpath, drainage and road infrastructure.	Completed	100%	The following projects have been considered for Special Charge Scheme and officers will progress to work with the community to implement these schemes. <ul style="list-style-type: none"> • Rooneys Road North Footpath • Hopetoun Street Allansford drainage & road construction • Willow Tree Lane Road • Wiggs Lane
Finalise a Playspace Strategy.	Completed	100%	The Draft Playspace Strategy is due to be released for public consultation in August/September 2019.
Progressively plan and renew City Centre streetscapes.	Completed	100%	PSCA Program being implemented. 2018/09 works completed.
Upgrade of two key public amenities buildings.	Completed	100%	Construction of the Swan Reserve amenities completed.
Develop “significant & heritage” tree renewal program.	Progressing	30%	All tree data now collected. Assessment beginning to identify significant and heritage trees.

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Prepare a strategy and funding model for a long-term tree replacement program.	Progressing	25%	Audit of street trees and gaps completed. Program for planting vacant streets and gaps in draft form.
Complete the design process for the upgrade of the Warrnambool Pound in consultation with the RSPCA.	Completed	100%	Design work complete.
Undertake a contract extension with the RSPCA for pound services.	Completed	100%	A one-year extension undertaken.
Develop and expand off-street parking areas.	Completed	100%	Railway car park became completed. This is an ongoing action dependent on the car parking fund.

Strategy: enhance movement in and around the city

Action	Status	Progress	Comment
Further promote the smart parking options.	Completed	100%	

Strategy: maintain and enhance existing Council infrastructure

Action	Status	Progress	Comment
Identify and regularly monitor condition of asset classes.	Completed	100%	Condition assessments and audits completed including a full road network condition assessment, comprehensive playground audit, approximately 10km of drainage condition assessment, and completion of the street tree risk audit. Council now has a complete inventory of all street trees across the city. The drainage condition assessment will be an ongoing program, which will aim to complete 10km of condition assessment annually. Council's overall drainage network is more than 260km in length.
Report annually to Council and community on service levels and unfunded works.	Completed	100%	The State of Assets Report was presented at the February 2019 Council Meeting.
Investigate funding opportunities to renew heritage assets such as Cannon Hill armaments, the Portuguese monument and Wollaston Bridge.	Completed	100%	Investigation found Cannon Hill assets not heritage listed and not applicable for Heritage Victoria grant programs. Wollaston Bridge received Heritage Victoria funding and project is underway to be complete by December 2019.
Undertake an assessment of all public place litter bins and develop a maintenance/replacement program.	Completed	100%	Work done with market organisers to provide additional bins for markets and events to reduce reliance and overfilling/littering during markets and events.
Collaborate with Council service managers to ensure facilities comply with the Food and Health Act.	Completed	100%	All facilities within Council-delivered services comply with the Food Act and Health Act.
Update asset management plans for asset classes including roads, bridges, footpaths, IT, buildings and monuments.	Progressing	50%	Bridges, footpaths and fleet asset management plans are complete. The drainage asset management plan is in draft form. The roads asset management plan is progressing with draft scheduled for completion by October. Open space asset

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			management plan is in early development with a draft scheduled for December 2019.
Tempered mixing valves audit and maintenance routine.	Completed	100%	Maintenance routine including frequency, temperature set points, maintenance activities and reporting obligations established.
Implement 2017-2018 Roof Access Audit Recommendations.	Completed	100%	Year 2 of the program is complete. Roof access systems installed at Civic Centre West Wing, Lions Hopkins Preschool, Dennington Recreation Reserve, Scott Street Machinery Shed, Myrtle Bar, Beamish Street Preschool.
Minor works for maintenance of Council buildings.	Completed	100%	Minor building works procurement is complete with deeds of standing offer issued to appropriate contractors.
Development of a standard specification for fittings and fixtures to standardise maintenance for high cost items.	Completed	100%	Standard specification list for high cost building items will be ongoing and updated as necessary.

Strategy: advocate for better regional connections

Action	Status	Progress	Comment
Seek funding for and deliver road safety projects.	Completed	100%	Applications made to <ul style="list-style-type: none"> • 19/20 Federal Backspot Program • TAC Small Infrastructure fund • Fixing Country Roads Wangoom Road • Community Road Safety Grants VicRoads
Advocate for essential safety and road improvements on the Princes Highway West.	Completed	100%	2018-2019 Princes Highway program resulted in two Federal and one State funding allocation. The alliance model is now in review, advocacy around projects will continue.
Advocate for improved passenger and freight rail services.	Completed	100%	Warrnambool City Council advocacy, through the Rail Freight Alliance (RFA), has helped resolve uncertainty around the Mode Shift Incentive Scheme (MSIS). The MSIS provides a vital subsidy to freight-forwarders to help offset the cost of transferring containers from rail to road transport to overcome last-mile access issues at the Port of Melbourne. The MSIS has been extended a further 12 months to June 30, 2020. Council and the RFA seeking further surety for the MSIS beyond this date. Council continues to seek clarification on the State Government's commitment on VLocity passenger services to Melbourne.

Major initiatives

Preparation of Wayfinding Strategy
Restoration of Wollaston Bridge

Services

The following statement provides information in relation to the services funded in the 2018-2019 budget and the people or sections who are provided the service.

Service	Description	Net cost Actual budget variance
Asset maintenance	This service prepares long term maintenance management programs for Council's property assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include buildings, pavilions, roads, footpaths and tracks and drainage.	1,984
		1,622
		(362)
Infrastructure services	This service prepares and conducts capital works and maintenance planning for Council's main civil infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include roads, laneways, car parks, foot/bike paths, drains and bridges.	3,045
		3,264
		219
Regulatory services	Local laws enforcement including parking fees and fines, public safety, animal management and traffic control.	(853)
		(508)
		345

Service performance indicators

Roads	2016	2017	2018	2019	Material Variations and Comments
Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	26.38	57.67	56.56	67.89	Significantly more sweeping requests (54) following reseal program.
Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	92.80%	96.10%	96.40%	96.48%	
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$68.23	\$85.73	\$155.90	\$91.05	The cost of reconstruction has decreased due to program focus returning to residential roads in 2018-2019. In 2017-2018 the program focused on industrial roads, which require a much heavier pavement which increased cost structure.
Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$7.14	\$6.67	\$7.65	\$8.18	
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	49.00	49.00	53.00	58.00	Greater community awareness of which roads are Council-owned versus VicRoads network.

Strategic objective 4. Develop a smarter economy with diverse and sustainable employment.

Strategy: grow the city's population through local economic growth.

Action	Status	Progress	Comment
Facilitate and promote business support and investment opportunities to grow the local economy.	Completed	100%	Business support programs included Small Business Mentoring Program, Manufacturing Cluster Program, China Host Program and The Ideas Place business accelerator program.
Provide executive support to implement the Great South Coast Food and Fibre Plan.	Completed	100%	Executive support provided to the Great South Coast Food and Fibre Council. Communication and marketing plan completed, food and fibre focus groups educational and leadership programs developed. To date 26 of 42 initiatives of the Great South Coast Food and Fibre Plan commenced or completed.
Develop and circulate economic data and analysis to business and industry.	Completed	100%	Key economic indicators communicated to Council and wider business community including building approvals, population growth, unemployment data. Information regularly updated and made available online at www.economyprofile.com.au/warrnambool). Analysis and messaging from spendmapp data (EFTPOS and Point of sale transactions) also circulated to business and industry to measure economic impact of events and as a further indicator of the health of the city's economy.
Implement the Warrnambool China Strategy to build local business capacity and capability.	Completed	100%	Outcomes included the Australian-first China Host tourism leadership program; Warrnambool also chosen for a regional pitch event that allowed a business from Warrnambool a fully funded place in a delegation of 15 start-ups to attend a conference in Nanjing, China; interest from research institutes in the Warrnambool-Changchun sister city model for international engagement.
Promote and facilitate investment in the Warrnambool Regional Airport.	Completed	100%	A recreational hangar close to completion. Planning advanced for a further major hangar construction at the Aviation Park. Sharp Airlines ceased its passenger service on June 30 2019. Engagement occurring with chartered flight operators and RPT providers regarding the reinstatement of flight services from Warrnambool to Melbourne.
Complete and implement the Housing Diversity Strategy.	Progressing	40%	The Housing Diversity Strategy is under way and informed by feedback from the W2040 community engagement process. Scope of works being refined to prepare a project brief and project plan.
Plan for the development and implementation of precinct structure plans.	Progressing	70%	Precinct structure plans developed and progressing to implementation are: - Logans Beach Framework Plan; - Eastern Activity Centre Structure Plan review (Amendment (C103)) - The East of Aberline Precinct Structure Plan (in conjunction with the Victorian Planning Authority).

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- A review of the Allansford Framework Plan.

Maintain adequate land supply through regular audits and monitoring.	Completed	100%	The 2017/18 land supply audit was adopted by Council which indicates a sufficient supply of residential land for Warrnambool..
Consider job creation opportunities in local waste management systems.	Completed	100%	Through a tender process Council assesses any submissions for local recycling processing content.

Strategy: encourage more sustainable business local business.

Action	Status	Progress	Comment
Further develop, promote and deliver Business Support Package to City Centre businesses within the City Centre Renewal zone.	Completed	100%	Stage II of Business Support Program completed with evaluation report presented to Council
Complete and implement the Industrial Buffers Project.	Progressing	40%	Work undertaken by the State Government on buffer distances has been released, and consultation on this by DELWP and the EPA has commenced.
Implementation of Development Plans and Developer Contributions Plans.	Progressing	45%	Development Plan applications and amendments continue to be processed and endorsed by Council: 15 Dales Road (undergoing assessment); Logans Beach Coastal Village (stages 6 and 7 undergoing assessment).
Deliver a business case and feasibility study for a Business Incubator/ Accelerator to support growth of existing companies or start-ups in our region.	Completed	100%	Secured \$284,000 through Victorian Government 'LaunchVic' fund to coordinate the Ideas Place, a 12-month program to engage and support local entrepreneurial activity across Warrnambool City, Moyne and Corangamite Shires. This initiative has also formalised a partnership with SW TAFE in their entrepreneurial/innovation hub due for completion in September 2019.
Support the development of new tourism and economic development proposals, including Crown Land proposals where appropriate.	Completed	100%	Advice and support provided to a number of potential investors at preliminary planning stage across residential, industrial and visitor economy sectors.

Strategy: enhance the visitor experience.

Action	Status	Progress	Comment
Co-ordinate and deliver a regional visitor economy project to build the capacity and capability of local operators to access the growing Chinese tourism market.	Completed	100%	Completed the China Host in March 2019, an industry-specific program to prepare tourism operators for the fast-growing inbound Chinese market.
Recognise the importance of indigenous culture to the region and explore with Great Ocean Road Regional Tourism the potential for an increased Aboriginal tourism offer.	Completed	100%	Great Ocean Road Regional Tourism Aboriginal Product Development Project is in final draft form. A final round of consultation is occurring with the project reference group and Traditional Owners. Published strategy expected October 2019.
Develop and implement actions of the 2018-2022 Events Strategy.	Completed	100%	Outcome of the new Warrnambool Events Strategy was the creation of a Festival and Events Community Fund. Warrnambool secured the 2020 and 2021 Victorian Junior Lifesaving Championships over the March Labour Day Long weekend.
Partner with GORRT and other stakeholders to implement the recommendations of the Warrnambool Destination Action Plan.	Completed	100%	The Warrnambool Destination Action Plan is being reviewed by the Visitor Economy Advisory Committee and GORRT. Other visitor economy stakeholders have and will participate in the review to ensure a broader base of the city's visitor economy will be engaged and lend support towards implementation of the Destination Action Plan.
Ensure mobile food vans and temporary food stalls that require registration with Council are compliant and registered under the Food Act.	Completed	100%	All mobile food vans and temporary food stalls are compliant and registered under the Food Act 1984.
Produce and implement a Strategic Plan for the Holiday Parks (Surfside & Shipwreck Bay).	Completed	100%	A five-year strategic plan for both holiday parks is progressing. Phase one included site visits and a detailed survey of users. The next phase will move to the development of draft strategic priorities.
Produce and implement a Marketing Strategy to promote Warrnambool in partnership with GORRT & Industry.	Completed	100%	The "I am Warrnambool" brand toolkits and digital packages are being taken up by industry. The Destination Branding initiative over the Warrnambool May Racing Carnival provided strong national exposure.
Support and participate in the activities of the Warrnambool Tourism and Business Association.	Completed	100%	The Warrnambool Tourism Association is in recess.
Support the activities of the Great Ocean Road Regional Tourism Board.	Completed	100%	Great Ocean Road signage project completed. Great Ocean Road Workforce Planning Project commenced focussing on accommodation, transport and workforce attraction. Future of Visitor Servicing Project commenced. Strategic Plan and Business Plan completed and engagement occurring through partner municipalities, industries and State Government.
Support and advocate for the implementation of initiatives in the Shipwreck Coast Master Plan.	Completed	100%	Over \$700 million in private sector investment is in planning. \$108 million of State and Federal Funding secured for implementation of Stage 2 of the Shipwreck Coast Master Plan. \$153 million for Great Ocean road maintenance. Parks Victoria commenced Stage 1 works.

Strategy: advocate for and improve infrastructure including transport, services and digital infrastructure.

Action	Status	Progress	Comment
Provide advocacy support material and report on advocacy outcomes.	Completed	100%	Advocacy materials continue to be updated and, where required, expanded. Funding received for Shipwreck Coast Master Plan, Princes Highway, new library and learning centre.
Participate in regional leadership groups and alliances to advocate for improved transport, services and digital infrastructure.	Completed	100%	Princes Highway Action Alliance and regional directors forums have occurred throughout the year. This is an ongoing action.

Strategy: create stronger links between education providers, business and industry.

Action	Status	Progress	Comment
Continual Improvement of the Development Toolkit.	Progressing	50%	Project management plan developed. A series of application guidelines is under development for potential applicants.
Continual Improvement of the Building Services Toolbox.	Progressing	50%	The building services toolbox is currently under development and continues to reflect legislative changes as they occur.
Develop and implement a plan of partnership initiatives with Deakin Warrnambool and South West TAFE.	Completed	100%	Warrnambool City worked with Deakin University and South West TAFE on initiatives including Ideas Place, China Host program, international student attraction, International Student Guide along with formal welcomes for official delegations. Council led the application for Deakin University research project - Great South Coast Economic Futures which is exploring projects across sectors including energy, manufacturing, water and tourism. Council formed an MOU with SW TAFE on the South West 'Hive' regional business co-working and incubation project.
Develop an International Student Education Prospectus.	Completed	100%	Council and Deakin University developed a international student support program, international student guide, and welcoming events.

Major initiatives

Services

The following statement provides information in relation to the services funded in the 2018-2019 budget and the people or sections who are provided the service.

Services

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Service	Description	Net cost Actual budget variance
Statutory building services	This service provides statutory building services to the Council community including processing of building permits.	71
		208
		137
City Strategy and Development	This service prepares and processes amendments to the Council Planning Scheme. This service processes statutory planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors the Council's Planning Scheme, prepares major policy documents and processes amendments to the Council Planning Scheme.	1,007
		1,140
		133
Warrnambool livestock exchange	Provides a regional livestock marketing centre that meets the needs of the stock agents, buyers and producers.	(253)
		(117)
		136
Holiday parks	Provides affordable holiday accommodation that is modern, clean and well maintained in a family orientation atmosphere.	(1,011)
		(823)
		188
Flagstaff Hill Maritime Village and Visitor Information Centre	A major regional tourist attraction and visitor information centre that includes a recreated heritage village which displays the maritime history of the region and features the "Shipwrecked" Sound & Light laser show.	740
		687
		(53)
Economic Development	Includes the industry and business support, research and statistical analysis and project development which underpin economic development.	937
		917
		(20)
Warrnambool Airport	This service provides a regional Airport that meets the needs of users and operates as a viable commercial enterprise to the benefit of the region.	177
		192
		15
Port of Warrnambool	Council manages the port facility on behalf of the Victorian Government.	0
		(6)
		(6)

Service performance indicators

Statutory Planning	2016	2017	2018	2019	Material Variations and Comments
Timeliness					
Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	47.00	45.00	38.00	37.00	
Service standard Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	94.09%	88.54%	93.95%	93.20%	From 1 July 2016 this indicator was updated to include Vic Smart planning applications which should be assessed within 10 days. This may result in some variances year on year.
Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$1,911.67	\$1,807.90	\$2,077.01	\$1,928.14	
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	50.00%	50.00%	100.00%	50.00%	Two cases relating to farming zones, one upheld, one overturned.

Strategic objective 5. Practice good governance through openness and accountability while balancing aspirations with sound financial management.

Strategy: provision of opportunities for the community to actively participate in Council's decision-making through effective promotion, communication and engagement.

Action	Status	Progress	Comment
Coordinate, prepare and have adopted Councils Strategic Resource Plan.	Completed	100%	Strategic Resource Plan adopted with the Council Plan on 24 June 2019.
Coordinate, prepare and have adopted Councils Annual Budget.	Completed	100%	Annual Budget adopted on 24 June 2019.
Partner with the community to endorse and implement the W2040 Community Plan	Completed	100%	Partnering Agreements developed and set to be distributed to the W2040 Partners Network. Community campaigns have also been launched which link to W2040 goals. #MeetYourStreet3280 and also #EveryDayCounts campaigns reminded people that small actions make a BIG difference. Community campaigns will continue to link back to W2040 goals and reinforce the message that small actions by many are needed to achieve our long-term visions as a community.
Inform Council and Community strategic planning by sharing the learning's from W2040 engagement processes.	Completed	100%	Community engagement learnings from Warrnambool 2040 continue to strengthen and influence integration of strategies to make Council actions more effective and efficient. Recent strategic work which has benefited from the W2040 process is the Active Warrnambool Strategy and the Strategic Planning process for WAG's next decade.
Establish a reporting framework for the W2040 Community plan.	Completed	100%	The corporate reporting system will enable external partnership reporting collaborative reporting on W2040 partner actions.
Report on the extent and engagement with Council's communications measures.	Completed	100%	Findings of the 2019 Community Satisfaction Survey which includes ratings on community engagement performance and preferred forms of communication to be presented to Council.
Provide community engagement opportunities relating to Council projects as required.	Completed	100%	Projects for which engagement support, activities or advice was provided included: Botanic Precinct Local Traffic Management Plan (LATM), Merri Street pedestrian crossing, Pirtup and Playspace Projects (Lake Pertobe BBR Program) Active Warrnambool Strategy, new Shared Library, planning for Reid Oval Stakeholder Engagement, Beyond the Bell Local Action Group project, Last Drinks Warrnambool.
Gazettal of Council's new Local Laws.	Completed	100%	The new Local Laws were gazetted in February 2019.

Strategy: develop policies, strategic plans and processes to address local and regional issues, guide service provision and ensure operational effectiveness.

Action	Status	Progress	Comment
Implement enterprise-wide project management framework procurement management and contract management module.	Progressing	35%	System specification and development in process.
Support quality strategic planning processes which are evidence based, informed by quality community engagement and result in improved outcomes for the community.	Completed	100%	Projects for which engagement support, activities or advice was provided this quarter include: Active Warrnambool Strategy, Botanic LATM, Shared Library, Reid Oval, Lake Pertobe Renewal Projects.
Continual refinement of the Health and Safety System through improved process, implementation, reporting and organisation engagement.	Completed	100%	WCC achieved applicable milestones set out by the Municipal Association of Victoria Workcare. Verification was facilitated by monthly inspections conducted by an external risk consultant.
Enhancing efficiency and organisational performance through improved organisation culture utilising a trusted advisor model of service.	Completed	100%	The Human Resources/Occupational Health and Safety Team was reorganised and is providing high levels of support to all business units across council.
Implement workplace actions to educate and build capacity of Council staff regarding gender and diversity equity and family violence issues.	Progressing	75%	The release of Victoria's Gender Equity Bill is pending. Diversity training has been added to the Council training plan following a training needs analysis.
Improving organisation culture, engagement and service standards through a coordinated approach to innovative and sector leading training, professional development, cultural diversity and wellbeing	Completed	100%	The OHS training needs analysis was completed and training plans developed. An online training platform has been a success and resulted in greater training participation and tracking of participation. Continuing adoption of the MAV OHS Management system has increased wellbeing initiatives.
Investigate opportunities and develop a strategy to reduce graffiti in the city.	Completed	100%	Recording and reporting graffiti process adopted which has led to improved results in catching offenders and a significant reduction of graffiti tagging on Council assets. Contact has been made with Department of Justice and Regulation to develop a graffiti removal program with offenders.
Implement on-line permits for food registrations.	Completed	100%	DHHS Food Safety Unit is developing a statewide online registration system.
Develop a Municipal Early Years Strategy.	On hold	0%	On hold pending funding.
Aim for efficiencies through the use of digital technologies.	Completed	100%	The implementation of the Organisation Management Module in Ci Anywhere has streamlined management process for employee appointments and movements. The performance management module has been re-worked and simplified for ease of use by managers. The ongoing introduction of digital forms has resulted in ongoing efficiencies in diverse areas of council.

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Refresh IT Strategy	Progressing	70%	A draft strategy has been produced and will be reviewed with the implementation of the shared services project with the Moyne and Corangamite municipalities.
Participate in Shared Services – TechnologyOne with Moyne & Corangamite Shires.	Completed	100%	Final business plan was submitted to Local Government Victoria and Treasury and Finance.
Improve the resilience of IT Systems.	Progressing	90%	Maintenance of hardware, software, operating systems and firmware continues. Staff being trained for Microsoft Windows 10 deployment. The team participate in relevant user groups and other forums. Duplication of fibre optic link between two main data centres to be complete in July 2019.
Improve utilisation of IT to improve business processes and user experience.	Completed	100%	The rollout of online training system increased employee utilisation of IT systems. The re-working of the employee performance review module in Ci Anywhere will also ensure improved utilisation of IT systems and enhanced business processes.
Improve Record Keeping compliance by improving the uptake of ECM.	Progressing	80%	The existing program of user training, comprising induction, basic and advanced training continues. Controlled documents project is due for final testing in second half of 2019.
Improve business efficiency by consolidating documents held on network drives into ECM.	Progressing	35%	The Controlled Documents project is introducing more people to the process of removing documents from network drives and adding them to ECM.. Software to help identify duplicates across network drives and ECM has been identified.

Strategy: ensure financial sustainability through effective use of Council’s resources, assets and through prudent management of risk.

Action	Status	Progress	Comment
Review Council-owned property with consideration of rental agreements, property valuations and disposal of surplus land.	Completed	100%	Sale of 26 Garden St Warrnambool to proceed via expression of Interest. Land at 117B Fairy St advertised for Section 223 submissions.
Increase training, resources and preparedness to meet the requirements of Council’s Municipal Emergency Management Plan.	Completed	100%	Further training undertaken in December 2018 as a refresher and to new officers to assist in the event of an emergency.

Strategy: deliver customer-focused, responsive services.

Action	Status	Progress	Comment
Maintain and monitor continuous improvement plan and corporate Community Home Support Program calendar and self-assessment tool.	Progressing	70%	The Home Support Quality Improvement group meets weekly to complete a self-assessment process and update Continuous improvement Plan to reflect the new Aged Care Quality standards. In June 2019 two staff attended a workshop on the new Aged Care Quality Standards.

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Review the provision of Council's community housing service and report proposed recommendations to Council for a decision on the future of the service.	Progressing	70%	Report outlining options to be presented to Council.
Execute new contracts for recycling, household waste and Food Organics Garden Organics services.	Completed	100%	

Strategy: foster an encouraging and positive staff culture.

Action	Status	Progress	Comment
Commence implementation of priority actions arising from the Staff Survey	Completed	100%	Organisation Values adopted, a steering committee for the development and implementation of the culture program formed and leadership training opportunities identified and offered.

Major initiatives

Pursue a shared corporate services arrangement with neighbouring municipalities to achieve operating efficiencies.

Undertaken community engagement in relation to a submission for a rate variation to the Essential Services Commission.

Services

The following statement provides information in relation to the services funded in the 2018-2019 budget and the people or sections who are provided the service.

Service	Description	Net cost Actual budget variance
Elected Council	Elected Council governs our City in partnership with and on behalf of our community, and encourages and facilitates participation of all people in civic life. Also includes contributions made to community groups and organisations.	594 568
		(26)
Governance and risk	Responsible for supporting good governance within Council and implementing the Corporate Risk Management Framework, managing Council's insurance portfolio and providing internal support on insurance matters to council officers.	734 667
		(67)
Executive services	Manages and facilitates the Council governance service, implementation of Council decisions and policies and compliance with the legislative requirements. Also includes media & marketing.	996 867
		(129)
Revenue and customer service	Provides a complete service in revenue collection, property management and a customer interface for various service units and a wide range of transactions. Includes contract valuation service.	811 891
		80
Information services	Enables Council staff to have access to the information they require to efficiently perform their functions. Includes software support, licensing and lease commitments.	2,058 2,052
		(6)
Organisation development	This service promotes and implements positive HR strategies to assist staff reach their full potential and, at the same time are highly productive in delivering Council's services to the community. Includes recruitment, staff inductions and training.	835 908
		73
Corporate and financial services	Provides corporate support to Council and all divisions/branches in meeting organisational goals and objectives and includes banking and treasury functions, loan interest, audit, insurances, overhead costs including utilities and unallocated grants commission funding.	(1,673) (1,564)
		109
Depreciation	Depreciation is the allocation of expenditure write down on all of Council's assets over their useful lives.	11,750 12,000
		250

Service performance indicators

Governance	2016	2017	2018	2019	Material Variations and Comments
Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	19.28%	11.95%	13.64%	5.19%	Majority of 'awarding contract' decisions are now determined in Council meetings open to the public
Consultation and engagement Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement.	51.00	55.00	50.00	47.00	
Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	91.13%	97.14%	96.99%	90.68%	
Service cost Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$47,500.43	\$49,133.00	\$48,047.00	\$56,027.94	During the 2018-19 financial year the cost of governance was impacted by the recruitment of a new CEO.
Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51.00	51.00	46.00	48.00	

Governance

Warrnambool City Council is constituted under the Act to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

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

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

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

Meetings of council

Council conducts open public meetings at the Civic Centre, 25 Liebig Street, Warrnambool, on the first Monday of each month.

Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the council, make a submission or speak to an item.

Over 2018-2019 Council held the following meetings:

- 11 ordinary council meetings
- 8 special council meetings.
- Four Committee of the Whole Council meetings
- 40 Councillor briefing sessions

The following table provides a summary of councillor attendance at 2018-2019 council meetings and Special Council meetings.

Councillor	Ordinary Council meetings	Annual/Special meeting	Committee of the Whole Council meetings	Councillor briefings
Anderson	11/11	8/8	4/4	40/40
Gaston	10/11	8/8	4/4	38/40
Cassidy	10/11	7/8	3/4	32/40
Herbert	10/11	8/8	3/4	39/40
Hulin	9/11	7/8	1/4	32/40
Neoh	10/11	8/8	4/4	34/40
Owen	10/11	8/8	3/4	38/40

Council committees

The Act allows councils to establish one or more special committees consisting of:

Councillors

Council staff

Other persons

Any combination of the above

Council has one Special Committee, the Committee of the Whole, comprising the seven Councillors.

Council also has a number of advisory committees. The following table contains a list of these committees and the purpose for which each committee was established.

Special committee	Councillors	Officers	Other	Purpose
International relations advisory committee	2	-	Up to six	<ul style="list-style-type: none"> To promote and facilitate the Warrnambool community enjoying direct associations with international cities, promoting international friendship, cultural exchange and a general international awareness. To develop activities such as student exchange, teacher exchange, citizen exchange school language programs, cultural and sporting exchange, community involvement. To enhance Warrnambool's economy through improved business, trade and tourism links. To support Council in hosting international delegations where appropriate. To consider and provide advice to Council on sister city policy, strategy, current issues or trends. To consider and provide advice to Council on general international matters where appropriate.
Environment and Planning Advisory Committee	1	-	Up to six	<ul style="list-style-type: none"> To provide advice to Council on strategic planning matters; To provide advice to Council on environment and sustainable matters; To assist Council in the implementation of sustainability and environmental initiatives and projects; To assist Council in the implementation of the Green Warrnambool Plan; and, To provide advice to Council in relation to conservation and enhancement of the urban landscape.

South-West Victorian Livestock Exchange	1	-	Comprising representatives from the sale agents, stock owners, stock transport industry and a general community representative.	<ul style="list-style-type: none"> • Provide advice in relation to the management and operation of the Warrnambool Livestock Exchange. • Provide a conduit for information between the Warrnambool City Council, saleyards management, stock agents, buyers, sellers, transporters, other stakeholders and the community.
Warrnambool Australia Day Advisory Committee	1	-	4	<ul style="list-style-type: none"> • To provide advice and recommendations around the Warrnambool Australia Day awards
Economic Development Advisory Committee	1	2	5	<ul style="list-style-type: none"> • To advise Council on matters relating to the economy of Warrnambool and the Great South Coast. • To discuss new initiatives and major projects that support the Economic Development and Investment Strategy • To review new initiatives using an agreed assessment model • To review feasibility studies and business cases in line with Council priorities; and • To act as a reference group and provide recommendations to Council on matters that fall within the Committees Terms of Reference, or are otherwise consistent with the intent and purpose of the Economic Development and Advisory Committee.
Visitor Economy Advisory Committee	2	2	Up to eight	<ul style="list-style-type: none"> • To provide expert advice and recommendations on all tour-ism-related matters; • Conduct tasks and projects to strengthen the visitor economy on WCC behalf; • Build and enhance relationships and partnerships of the visitor economy; and • Collect, evaluate and determine trends and outcomes to enable evidence based advice
Audit and Risk Committee	2	-	3	<ul style="list-style-type: none"> • oversee and monitor the effectiveness of council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.
Health and Wellbeing Advisory Committee	3 plus two youth councillors	2	Up to 12	<ul style="list-style-type: none"> • Provide advice to Council on the development, review and implementation of the Warrnambool City Health and Wellbeing Plan and associated Action Plans.

Code of conduct

The Act requires councils to develop and approve a councillor Code of Conduct within 12 months after each general election. On February 20, 2017, Council adopted a revised Councillor Code of Conduct which is designed to assist Councillors to:

- Act with integrity
- Impartially exercise their responsibilities in the inter-ests of the local community
- Not improperly seek to confer an advantage or disadvantage on any person
- Avoid conflicts between their public duties as a Councillor and their personal interests and obligations
- Act honestly and avoid statements (whether oral or in writing) or actions that will, or are likely to, mislead or deceive a person
- Treat all persons with respect and have due regard to the opinions, beliefs, rights and responsibilities of other Councillors, Council officers and other persons
- Exercise reasonable care and diligence and submit themselves to the lawful scrutiny that is appropriate to their office
- Endeavour to ensure that public resources are used prudently and solely in the public interest
- Act lawfully and in accordance with the trust placed in them as a Councillor
- Support and promote these principles by leadership and example and act in a way that secures and pre-serves public confidence in the office of Councillor.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
- Roles and relationships
- Dispute resolution procedures.

Conflict of interest

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires councillors to act in the public interest. When a council delegates its powers to a council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest.

Declaration of a conflict of interest is a standard agenda item for all council and Committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2018-2019, 48 conflicts of interest were declared at council and Special Committee meetings and briefings.

Type of meeting	No. of Cr. Conflicts declared
Ordinary	17
Special	2
Closed	0
Briefing	29

Councillor allowances

In accordance with Section 74 of the Act, councillors are entitled to receive an allowance while performing their duty as a councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to councillors and Mayors. Councils are divided into three categories based on the income and population of each council.

Warrnambool City Council is recognised as a category two council.

The Minister for Local Government approved an adjustment factor increase of 2.0% to the Mayoral and Councillor allowances, effective 1 December 2018, under section 73B(4) of the Local Government Act 1989.

For Category 2 councils, including Warrnambool City Council, this meant that Councillors were entitled to be paid up to \$25,730 per annum and Mayor, up to \$79,612 per annum.

Councillor	Allowance (including superannuation)
Robert Anderson	\$45,948.11
Sue Cassidy	\$28,282.09
Kylie Gaston	\$27,625.27
Tony Herbert	\$69,930.46
Peter Hulin	\$28,282.07
Michael Neoh	\$28,282.09
David Owen	\$28,282.09

Councillor expenses

In accordance with Section 75 of the Act, council is required to reimburse a councillor for expenses incurred whilst performing his or her duties as a councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the mayor and councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each councillor and member of a council committee paid by the council.

The details of the expenses including reimbursement of expenses for each councillor and member of a council committee paid by the council for the 2018-2019 year are set out in the following table.

Councillor	Phone and computer \$	Meals and accommodation \$	Training and memberships \$	Travel and airfares \$	Total \$
Robert Anderson	553.21	2,452.54	1,563.38	432.05	5,001.18
Sue Cassidy	515.78	1,469.10	564.29	-	2,549.16
Kylie Gaston	1,059.91	553.68	1,030.69	615.94	3,260.22
Tony Herbert	562.28	3,121.11	2,777.92	1278.19	7,739.50
Peter Hulin	599.95	544.90	214.29	-	1,359.14
Michael Neoh	1,006.00	1,195.46	214.29	-	2,415.74
David Owen	482.75	709.98	1,624.10	615.94	3,432.77

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by council. The Act requires council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

Audit committee

The Audit Committee's role is to oversee and monitor the effectiveness of council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit Committee consists of three independent members: Mr Rob Wallis (chair) served for the full 2018-2019 financial year; Mr Rod Coutts served from July 1, 2018 to December 31, 2018; Ms Karyn Cook and Mr Dennis Farley served from November 6, 2018 to June 30, 2019.

Independent members are appointed for four-year term, with a maximum of three terms. The chair is elected from the independent members.

The Audit Committee meets four times a year. The Internal Auditor, Chief Executive Officer, Director Corporate Services, Manager Organisation Development, Manager Governance and Risk and Manager Financial Services attend all Audit Committee meetings. Other management representatives attend as required to present reports. The external auditors attend in May and August each year to present the audit plan and independent audit report.

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

Internal audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across council. The department is jointly resourced by an in-house Internal Auditor who has extensive local government experience and an external provider. A risk based Strategic Internal Audit Plan

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

The Internal Auditor attends each Audit Committee meeting to report on the status of the SIAP to provide an update on the implementation of audit recommendations and to present findings of completed reviews. The responsible Director and Manager for each area reviewed are required to attend the Audit Committee meeting to respond to questions in relation to the review. All audit issues identified are risk rated.

Recommendations are assigned to the responsible Manager and tracked in council's performance management system. Managers provide quarterly status updates that are reviewed by the Internal Auditor and reported to the Executive Management Group and the Audit Committee. Quality assurance is measured through client satisfaction surveys for each review, the annual Audit Committee self assessment, completion of the internal audit plan and benchmarking against other internal audit functions.

External audit

Council is externally audited by the Victorian Auditor-General. For the 2018-19 year the annual external audit of council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the May and August Audit Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

Risk management

In February 2015, council adopted its Risk Management Policy in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines. The Risk Management Policy contains the following objectives:

- We will apply a coordinated and integrated approach to risk management across Council. Consistent with the principles of AS/NZS ISO Standards.
- Council through its Audit and Risk committee shall ensure the establishment, implementation and ongoing review of the Councils risk management framework, internal compliance and control systems.
- Risk management will be an integral part of planning and decision making processes.
- We will adopt risk management strategies which promote confidence in the achievement of optimal business & community outcomes.
- We will establish a culture of risk consciousness with-in our organisation and promote risk awareness with our stakeholders.
- Communication within the stakeholder community in relation to the identification and management of risk is encouraged.
- We will develop and continually improve risk management practices based on established standards and industry practice.
- We will apply a coordinated and integrated approach to risk management.
- There is accountability assigned to all those with risk management responsibilities.
- Council staff will be provided with the necessary training to allow them to undertake their risk management duties.
- All staff with risk management roles and responsibilities are provided with the necessary authority to undertake these responsibilities.
- We will extend our risk management capabilities to our agents (contractors and business partners) to enhance management of their project risks, or use of their policies and procedures if considered suitable.

Governance and management checklist

The following are the results in the prescribed form of council's assessment against the prescribed governance and management checklist.

Governance and Management Items		Assessment	
1.	Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 5 June 2017	<input checked="" type="checkbox"/>
2.	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 17 January 2015	<input checked="" type="checkbox"/>
3.	Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non- financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 24 June 2019	<input checked="" type="checkbox"/>
4.	Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 24 June 2019	<input checked="" type="checkbox"/>
5.	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: Asset Management Strategy 3 April 2014, Bridges Asset Management Plan 5 June 2017, Road Management Plan 5 June 2017, Pathways Asset Management Plan 6 Nov. 2017	<input checked="" type="checkbox"/>
6.	Rating strategy (strategy setting out the rating structure of council to levy rates and charges)	Strategy Date of operation of current strategy: 24 June 2019	<input checked="" type="checkbox"/>
7.	Risk policy (policy outlining council's commitment and approach to minimising the risks to council's operations)	Policy Date of operation of current policy: 2 February 2015	<input checked="" type="checkbox"/>
8.	Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 5 Sept 2016	<input checked="" type="checkbox"/>
9.	Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 6 Nov 2017	<input checked="" type="checkbox"/>

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10.	Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: As at 30 June 2019 – Policy is currently under review, current version adopted by Council 5 June 2017.	
11.	Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of revision of current Plan: 27 June 2018	<input checked="" type="checkbox"/>
12.	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of revision of current Plan: 27 June 2018	<input checked="" type="checkbox"/>
13.	Risk management framework (framework outlining council's approach to managing risks to the council's operations)	Framework Date of operation of current framework: 2 May 2016	<input checked="" type="checkbox"/>
14.	Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 9 October 2006	<input checked="" type="checkbox"/>
15.	Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Engaged Date of engagement of current provider: 1 January 2019	<input checked="" type="checkbox"/>
16.	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 1 July 2016	<input checked="" type="checkbox"/>
17.	Council Plan reporting (report reviewing the performance of the council against the council plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Reports Date of reports: 6 August 2018, 5 Nov. 2018, 4 March 2019, 6 May 2019	<input checked="" type="checkbox"/>
18.	Financial reporting (quarterly statements to council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to council in accordance with section 138(1) of the Act Date statements presented: 3 Sept. 2018, 5 Nov. 2018, 4 Feb 2019 & 6 May 2019	<input checked="" type="checkbox"/>
19.	Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 28 August 2018, 20 Nov. 2018, 12 March 2019 & 21 May 2019	<input checked="" type="checkbox"/>
20.	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports Date of reports: 3 Sept, 2018, Financials Only 5 Nov 2018, 4 Feb. 2019, 6 May 2019	<input checked="" type="checkbox"/>

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21.	Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of council in accordance with section 134 of the Act Date statements presented: 1 Oct 2018	☑
22.	Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by councillors)	Reviewed in accordance with section 76C of the Act Date adopted: 20 Feb 2017	☑
23.	Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 6 August 2018 & 4 March 2019	☑
24.	Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 2 May 2016	☑

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



Peter B. Schneider
 Chief Executive Officer
 September 23, 2019



Cr Tony Herbert
 Mayor
 September 23, 2019

Statutory information

The following information is provided in accordance with legislative and other requirements applying to council.

Documents available for public inspection

In accordance with regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for public inspection for the purposes of section 222 of the Act at 25 Liebig Street, Warrnambool:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by councillor or any member of council staff in the previous 12 months
- minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- a document containing details of all leases involving land which were entered into by the council as lessor, including the lessee and the terms and the value of the lease
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- a list of donations and grants made by the council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best value

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

Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through its Procurement Policy.

The following Best Value initiatives were undertaken during 2018-19:

- budget process – development of guidelines and processes for fees and charges
- business planning – development and implementation of integrated approach to business planning

Carers recognition

In accordance with the Carers Recognition Act 2012, council is required to report annually on its care measurement obligations under Section 11 of that Act. Council has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012. Council has promoted the principles of that Act to people in care relationships who receive council services, to people in care relationships, and to the wider community by:

- Distributing printed material through relevant council services
- Providing information to organisations represented in council/community networks.

Contracts

During the year council enter into 19 contracts valued at \$150,000 or more for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act.

It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

Disability Act

In accordance with section 38 of the Disability Act 2006, Council has prepared a Disability Action Plan.

Details

on the implementation of the Disability Action Plan are contained in this report.

Domestic Animals Act

In accordance with the Domestic Animals Act 1994, council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

Food Act

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

Freedom of information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the Freedom of Information Act 1982, council is required to publish certain statements in their annual report or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the Freedom of Information Act 1982.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the Freedom of Information Act 1982 and in summary as follows:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Council received 13 freedom of information requests in 2018-2019.

Further information regarding FOI can be found at www.ovic.vic.gov.au and on the Warrnambool City council website.

Protected Disclosure Act

Protected disclosure procedures

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

The Protected Disclosure Act 2012 aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on council's website. During the 2018-19 year no disclosures were notified to council officers appointed to receive disclosures under the Act, or to IBAC.

Road Management Act

Road Management Act Ministerial direction

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

Planning and Environment Act

Infrastructure and development contributions

In accordance with section 46GM and 46QD of the Planning and Environment Act 1987, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a council's annual report.

Information about infrastructure and development contributions is disclosed in the following tables.

Developer contributions

No developer contributions were received by Council in 2018-2019.

Performance statement

The Warrnambool municipality

Warrnambool City Council is a municipality covering 120sqkm in south-west Victoria. It contains the city of Warrnambool, which has a population of 35,000, and the small towns of Allansford, Woodford and Bushfield.

Significant natural features include the estuaries of the Merri and Hopkins rivers and the expansive Lady Bay which in winter and spring is a nursery for southern right whales.

Warrnambool is a major regional employment base with significant dairy and meat processing factories along with a range of industries which service agricultural enterprises.

Warrnambool generates a gross regional product of about \$2.3 billion which accounts for over 20 per cent of the Great South Coast region's economic output despite the municipality covering less than one per cent of the region's total area.

It has 2,730 registered businesses and significant employment sectors include health and social assistance (19.7 per cent of those employed), retail (14.2 per cent), manufacturing (5.8 per cent), education and training (10 per cent), construction (7.75 per cent), accommodation and food services (9.2 per cent).

Tourism is another major driver of the city's economy with the city positioned within the Great Ocean Road region and home to the award-winning Flagstaff Hill Maritime Village. Each year more than 700,000 people visit Warrnambool.

Tertiary education providers Deakin University and South West TAFE have campuses in Warrnambool which, along with bringing students to the city, provide local people with opportunities to pursue education and vocational training without having to leave the region.

Warrnambool City Council is also a major employer and provides a range of community services and also owns and manages community assets including the aquatic centre AquaZone, Warrnambool Art Gallery, Warrnambool Stadium, the Lighthouse Theatre, Surfside Holiday Park and major tourist attraction Flagstaff Hill Maritime Village.

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Sustainable Capacity Indicators for the year ended 30 June 2019

Indicator/measure	2016	2017	2018	2019	Material variations and comments
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,979.91	\$2,060.83	\$2,107.83	\$2,154.41	
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$14,440.73	\$14,960.03	\$14,259.21	\$13,443.32	
Population density per length of road [Municipal population / Kilometres of local roads]	99.24	102.11	104.25	104.31	
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,534.42	\$1,474.72	\$1,554.39	\$1,629.60	
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$349.10	\$462.56	\$391.95	\$394.38	
Relative Socio-Economic Disadvantage Index of Relative Socio-Economic Disadvantage by decile]	5.00	5.00	5.00	5.00	

Definitions

"adjusted underlying revenue" means total income other than:

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

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to above "infrastructure" means non-current property, plant and equipment excluding land

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

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants) "relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA. "SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website "unrestricted cash" means all cash and cash equivalents other than restricted cash.

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Service Performance Indicators for the year ended 30 June 2019

Service/indicator/measure	2016	2017	2018	2019	Material Variations and Comments
Aquatic Facilities					
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	7.14	6.86	6.94	6.85	
Animal Management					
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	0.00	0.00	0.00	0.00	Nil prosecutions for the reporting period
Food Safety					
Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	95.35%	100.00%	84.21%	In 2017-2018 critical and non-compliances were identified and follow up actions completed within the reporting period. In 2018-2019 notifications were only identified weeks before the period end, with follow up actions completed in the 2019-2020 reporting period.
Governance					
Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51.00	51.00	46.00	48.00	

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Service Performance Indicators for the year ended 30 June 2019

Service Performance Indicators	Results				Material Variations and Comments
	2016	2017	2018	2019	
Home and Community Care (HACC)					
Participation Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	34.28%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Participation Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	12.99%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Libraries					
Participation Active library members [Number of active library members / Municipal population] x100	15.83%	15.56%	14.37%	13.77%	
Maternal and Child Health (MCH)					
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	74.65%	75.25%	73.63%	76.99%	
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	60.00%	63.75%	61.33%	73.24%	Emphasis on encouraging participation in the service.

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Service Performance Indicators for the year ended 30 June 2019

Service Performance Indicators	Results				Material Variations and Comments
	2016	2017	2018	2019	
Roads					
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	49.00	49.00	53.00	58.00	Greater community awareness of which roads are Council-owned versus VicRoads network.
Statutory Planning					
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	50.00%	50.00%	100%	50.00%	Two cases relating to farming zones, one upheld, one overturned.
Waste Collection					
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	38.30%	38.09%	37.73%	47.78%	The increase in waste diversion is directly related to the introduction of the kerbside FOGO service

Service Performance Indicators for the year ended 30 June 2019

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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Financial Performance Indicators for the year ended 30 June 2019

Dimension/indicator/measure	Results				Forecasts				Material Variations and Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
Efficiency									
Revenue level Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,723.89	\$1,758.78	\$1,772.36	\$1,920.58	\$2,029.09	\$2,120.40	\$2,173.41	\$2,227.74	
Expenditure level Expenses per property assessment[Total expenses / Number of property assessments]	\$4,016.54	\$4,161.19	\$4,313.65	\$4,319.97	\$4,197.78	\$4,401.48	\$4,437.47	\$4,435.47	
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	10.82%	13.22%	10.57%	10.02%	10.00%	10.00%	10.00%	10.00%	
Liquidity									Council's cash balance increased due to a number of government grants received in 2018-2019 for projects which will commence in 2019-2020. The Victorian Grants Commission also paid 50% of the 2019-2020 allocation in June 2019.
Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	125.35%	144.19%	124.89%	171.63%	115.87%	120.98%	116.80%	118.40%	
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	60.52%	53.62%	34.02%	66.21%	74.15%	78.97%	74.51%	76.88%	

Financial Performance Indicators for the year ended 30 June 2019

Financial Performance Indicators Dimension/ <i>indicator/measure</i>	Results				Forecasts				Material Variations and Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
Obligations									
Asset renewal Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	79.38%	121.86%	107.15%	110.26%	109.12%	90.88%	94.68%	78.78%	
Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	29.91%	23.06%	16.93%	26.23%	32.50%	26.39%	23.87%	19.72%	Council borrowed \$5.5m to fund the final stage of the Simpson Street drainage upgrade project. This was in-line with Councils budget and borrowing strategy.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	5.32%	5.79%	5.11%	4.84%	5.31%	5.56%	4.75%	4.15%	
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	16.61%	14.95%	10.72%	16.79%	21.64%	17.97%	16.67%	13.72%	Council borrowed \$5.5m to fund the final stage of the Simpson Street drainage upgrade project. This was in-line with Councils budget and borrowing strategy.

Financial Performance Indicators for the year ended 30 June 2019

Financial Performance Indicators Dimension/indicator/measure	Results					Forecasts			Material Variations and Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
Operation position									
Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-3.21%	-2.32%	-4.12%	-1.03%	0.60%	-2.34%	-1.68%	0.21%	The underlying surplus varies from year to year and Council's objective is to have a breakeven position. The main driver for the variations are the levels of capital expenditure on non-council assets such as the Port of Warrnambool, Telstra assets and Street Trees which are treated as operating expenditure even though they may have been funded through a Capital Grant.
Stability									
Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	51.70%	50.43%	51.34%	51.47%	55.29%	56.37%	56.74%	56.89%	
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.55%	0.56%	0.57%	0.57%	0.58%	0.60%	0.60%	0.61%	

Definitions

"adjusted underlying revenue" means total income other than:

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

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to above "adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability "current assets" has the same meaning as in the AAS

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

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

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

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

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

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

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

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

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

Other Information

For the year ended 30 June 2019

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 24 June 2019 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
For the year ended 30 June 2019

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.



David Harrington, Chartered Accountant
Principal Accounting Officer
September 23, 2019

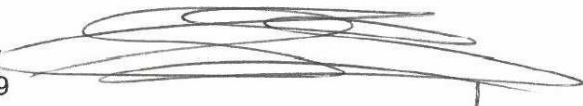
In our opinion, the accompanying performance statement of the (council name) for the year ended 30 June 2019 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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.

Cr. Susan Cassidy
September 23, 2019



Cr. Michael Neoh
September 23, 2019



Peter B. Schneider
Chief Executive Officer
September 23, 2019



Independent Auditor's Report

To the Councillors of Warrnambool City Council

<p>Opinion</p>	<p>I have audited the accompanying performance statement of Warrnambool City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information for the year ended 30 June 2019 (basis of preparation) • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Councillors' responsibilities for the performance statement</p>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p>Auditor's responsibilities for the audit of the performance statement</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>

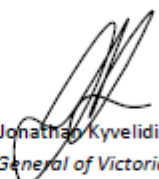
Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

MELBOURNE
26 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria



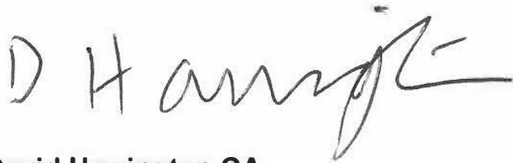
WARRNAMBOOL
CITY COUNCIL

Warrnambool City Council Financial Report

For the year ended June 30, 2019

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.



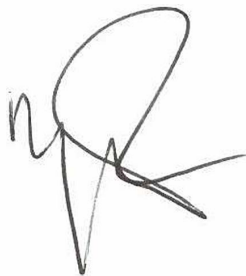
David Harrington CA
Principal Accounting Officer
September 23, 2019
Warrnambool

In our opinion the accompanying financial statements present fairly the financial transactions of Warrnambool City Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

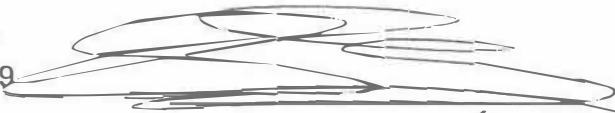
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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.

Cr Michael Neoh
September 23, 2019
Warrnambool



Cr Susan Cassidy
September 23, 2019
Warrnambool



Peter B. Schneider
Chief Executive Officer
September 23, 2019
Warrnambool



Independent Auditor's Report

To the Councillors of Warrnambool City Council

Opinion	<p>I have audited the financial report of Warrnambool City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
26 September 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive income statement for the year ended June 30, 2019

	Note	2019	2018
		\$'000	\$'000
Income			
Rates and charges	3.1	38,264	35,917
Statutory fees and fines	3.2	1,854	1,618
User fees	3.3	15,666	15,390
Grants - operating	3.4(a)	16,264	14,555
Grants - capital	3.4(b)	6,669	6,897
Contributions - monetary	3.5(a)	1,739	1,545
Contributions - non monetary	3.5(a)	4,629	1,460
Found assets	3.5(b)	2,956	691
Share of net profits (or loss) of associates and joint ventures	6.3(a)	54	22
Other income	3.7	973	765
Total income		89,068	78,860
Expenses			
Employee costs	4.1	(33,194)	(31,886)
Materials and services	4.2	(27,566)	(26,554)
Depreciation	4.3	(11,750)	(12,265)
Bad and doubtful debts	4.4	(332)	(129)
Borrowing costs	4.5	(310)	(411)
Other expenses	4.6	(789)	(781)
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(1,166)	(810)
Total expenses		(75,107)	(72,836)
Surplus for the year		13,961	6,024
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	(34,982)	(19,530)
Share of other comprehensive income of associates and joint ventures	6.3	10	(5)
Total comprehensive result		(21,011)	(13,511)

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

Balance Sheet as at June 30, 2019

	Note	2019	2018
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	6,696	3,570
Trade and other receivables	5.1(c)	3,320	2,865
Other financial assets	5.1(b)	12,000	8,000
Inventories	5.2(a)	177	175
Non-current assets classified as held for sale	6.1	-	184
Other assets	5.2(b)	1,255	1,261
Total current assets		23,448	16,055
Non-current assets			
Trade and other receivables	5.1(c)	10	24
Other financial assets	5.1(b)	2	-
Investments in associates, joint arrangements and subsidiaries	6.3	633	569
Property, infrastructure, plant and equipment	6.2	630,609	654,333
Total non-current assets		631,254	654,926
Total assets		654,702	670,981
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	4,255	3,801
Trust funds and deposits	5.3(b)	1,101	761
Provisions	5.5	6,571	6,604
Interest-bearing liabilities	5.4	1,735	1,542
Total current liabilities		13,662	12,708
Non-current liabilities			
Provisions	5.5	1,235	1,221
Interest-bearing liabilities	5.4	8,301	4,537
Total non-current liabilities		9,536	5,758
Total liabilities		23,198	18,466
Net assets		631,504	652,515
Equity			
Accumulated surplus		232,679	219,111
Reserves	9.1	398,825	433,404
Total Equity		631,504	652,515

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

Statement of changes in equity for the year ended June 30, 2019

2019	Note		Accumulated	Asset Revaluation	Other
		Total	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		652,515	219,111	427,467	5,937
Surplus/(deficit) for the year		13,961	13,961	-	-
Other comprehensive income from investment in associates	6.3	10	10	-	-
Net asset revaluation increment/(decrement)	9.1(a)	(34,982)	-	(34,982)	-
Transfers to other reserves	9.1(b)	-	(901)	-	901
Transfers from other reserves	9.1(b)	-	498	-	(498)
Balance at end of the financial year		631,504	232,679	392,485	6,340
			Accumulated	Asset Revaluation	Other
		Total	Surplus	Reserve	Reserves
2018		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		666,026	212,930	446,997	6,099
Surplus/(deficit) for the year		6,024	6,024	-	-
Other comprehensive income from investment in associates	6.3	(5)	(5)	-	-
Net asset revaluation increment/(decrement)	9.1(a)	(19,530)	-	(19,530)	-
Transfers to other reserves	9.1(b)	-	(626)	-	626
Transfers from other reserves	9.1(b)	-	788	-	(788)
Balance at end of the financial year		652,515	219,111	427,467	5,937

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

Statement of cash flows for the year ended June 30, 2019

		2019	2018
		Inflows/(outflows)	Inflows/(outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		38,378	35,917
Statutory fees and fines		1,468	1,618
User fees		15,768	16,608
Grants - operating		16,480	14,555
Grants - capital		6,264	6,897
Contributions - monetary		1,739	1,545
Interest received		245	261
Trust funds and deposits taken		1,724	1,331
Other receipts		775	523
Net GST refund/(payment)		(162)	120
Employee costs		(33,182)	(31,490)
Materials and services		(26,191)	(26,189)
Trust funds and deposits repaid		(1,384)	(1,218)
Interest paid		(310)	(411)
Other payments		(789)	(781)
Net cash provided by/(used in) operating activities	9.2	20,823	19,286
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(17,934)	(19,750)
Proceeds from sale of property, infrastructure, plant and equipment		280	305
Payments for investments		(13,000)	(8,000)
Proceeds from sale of investments		9,000	12,000
Net cash provided by/(used in) investing activities		(21,654)	(15,445)
Cash flows from financing activities			
Proceeds from borrowings		5,500	-
Repayment of borrowings		(1,543)	(1,835)
Net cash provided by/(used in) financing activities		3,957	(1,835)
Net increase (decrease) in cash and cash equivalents		3,126	2,006
Cash and cash equivalents at the beginning of the financial year		3,570	1,564
Cash and cash equivalents at the end of the financial year	5.1(a)	6,696	3,570
Financing arrangements		5.6	
Restrictions on cash assets		5.1	

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

Statement of capital works for the year ended June 30, 2019

	Note	2019	2018
		\$'000	\$'000
Property			
Land improvements		-	99
Total land		-	99
Buildings specialised		1,937	1,156
Buildings non-specialised		28	-
Building improvements		8	118
Total buildings		1,973	1,274
Total property		1,973	1,373
Plant and equipment			
Plant, machinery and equipment		1,344	1,019
Fixtures, fittings and furniture		23	26
Computers and telecommunications		232	444
Paintings and exhibits		36	83
Total plant and equipment		1,635	1,572
Infrastructure			
Roads		4,857	3,365
Bridges		129	13
Footpaths and cycleways		2,095	2,790
Drainage		4,882	297
Recreational, leisure and community facilities		176	1,066
Waste Management		606	-
Parks, open space and streetscapes		1,381	8,948
Aerodromes		-	53
Off street car parks		-	179
Other infrastructure		15	94
Total infrastructure		14,141	16,805
Total capital works expenditure	6.2	17,749	19,750
Represented by:			
New asset expenditure		1,469	2,776
Asset renewal expenditure		12,955	13,143
Asset expansion expenditure		131	152
Asset upgrade expenditure		3,194	3,679
Total capital works expenditure	6.2	17,749	19,750

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

OVERVIEW

Introduction

The Warrnambool City Council was established by an Order of the Governor in Council on 20 September 1994 and is a body corporate.

The Council's main office is located at 25 Liebig Street, Warrnambool.

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 in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)

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

Notes on the financial statements

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 greater of 10 percent and at least \$500,000 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 June 2018. 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*.

Notes on the financial statements

Note 1 cont' Performance against budget

1.1	Income and expenditure	Budget	Actual	Variance	Variance	
		2019	2019	2019	2019	
		\$'000	\$'000	\$'000	%	Ref
	Income					
	Rates and charges	37,999	38,264	265	1%	
	Statutory fees and fines	1,517	1,854	337	22%	
	User fees	14,757	15,666	909	6%	
	Grants - operating	13,729	16,264	2,535	18%	1
	Grants - capital	3,963	6,669	2,706	68%	2
	Contributions - monetary	655	1,739	1,084	165%	3
	Contributions - non monetary	4,000	4,629	629	16%	4
	Found assets	-	2,956	2,956	100%	5
	Interest	343	233	(110)	(32%)	
	Share of net profits/(losses) of associates and joint ventures	-	54	54	100%	
	Other income	452	740	288	64%	
	Total income	77,415	89,068	11,653	15%	
	Expenses					
	Employee costs	33,228	33,194	34	0%	
	Materials and services	22,883	27,566	(4,683)	(20%)	6
	Bad and doubtful debts	112	332	(220)	(196%)	
	Depreciation	12,000	11,750	250	2%	
	Borrowing costs	387	310	77	20%	
	Other expenses	846	789	57	7%	
	Net loss on disposal of property, infrastructure, plant and equipment	899	1,166	(267)	(30%)	
	Total expenses	70,355	75,107	(4,752)	(7%)	
	Surplus/(deficit) for the year	7,060	13,961	6,901	98%	

Notes on the financial statements

Note 1 cont' Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	Additional operating grants were successfully applied for and received during the 2018/19 financial year. These include the Great South Coast Food & Fibre project, LaunchVic Unearthed project, Welcome to Warrnambool project, a range of sustainable/environmental projects and a number of Pre-School related projects.
2	Grants - capital	Council was successful in a number of grant applications with the funds provided by the State Government for work to be completed in future financial years. These include projects relating to the Reid Oval redevelopment, the Port of Warrnambool and the Victorian Fixing Country Roads Program. Council also delivered the Boiling Down Road upgrade with State Government funding received in the 2018/19 financial year.
3	Contributions - monetary	Additional contribution from a sporting club to an upgrade at the Dennington Recreation Reserve, contributions received for various projects that Council provides an auspice role and a reimbursement from a utility company for works delivered as part of the City Centre renewal.
4	Contributions - non monetary	Road assets transferred from VicRoads to Council responsibility has increased the level of non-monetary above the expected level.
5	Found Assets	As part of the Lake Pertobe Masterplan update, it was discovered that part of the drainage assets within Lake Pertobe were not on Councils asset register. The State Government confirmed that these assets were not included on their asset register and should therefore be recognised by Council.
6	Materials and services	During the year Council expensed \$3.3m of capital works including drainage works on non-Council owned assets, upgrade/maintenance at the Port of Warrnambool, installation of street trees and property connection works in the CBD as part of City Renewal project.

Notes on the financial statements

Note 1 cont' Performance against budget

1.2	Capital works	Budget	Actual	Variance	Variance	
		2019	2019	2019	2019	
		\$'000	\$'000	\$'000	%	Ref
	Property					
	Land non specialised	-	-	-	0%	
	Land improvements	-	-	-	0%	
	Total Land	-	-	-	0%	
	Buildings	2,063	1,965	98	5%	
	Building improvements	-	8	(8)	(100%)	
	Total Buildings	2,063	1,973	90	4%	
	Total Property	2,063	1,973	90	4%	
	Plant and Equipment					
	Plant, machinery and equipment	1,324	1,344	(20)	(2%)	
	Fixtures, fittings and furniture	-	23	(23)	100%	
	Computers and telecommunications	311	232	79	25%	
	Paintings and exhibits	15	36	(21)	(140%)	
	Total Plant and Equipment	1,650	1,635	15	1%	
	Infrastructure					
	Roads	6,216	4,857	1,359	22%	1
	Bridges	203	129	74	37%	
	Footpaths and cycleways	3,096	2,095	1,001	32%	2
	Drainage	3,925	4,882	(957)	(24%)	3
	Recreational, leisure and community facilities	865	176	689	80%	4
	Waste Management	-	606	(606)	(100%)	5
	Parks, open space and streetscapes	408	1,381	(973)	(238%)	6
	Aerodromes	30	-	30	100%	
	Off street car parks	158	-	158	100%	
	Other infrastructure	219	15	204	93%	
	Total Infrastructure	15,121	14,141	980	6%	
	Total Capital Works Expenditure	18,834	17,749	1,085	6%	
	Represented by:					
	New asset expenditure	852	1,469	(617)	(72%)	7
	Asset renewal expenditure	14,984	12,955	2,029	14%	7
	Asset expansion expenditure	-	131	(131)	(100%)	
	Asset upgrade expenditure	2,998	3,194	(196)	(7%)	
	Total Capital Works Expenditure	18,834	17,749	1,085	6%	

Notes on the financial statements**Note 1 cont' Performance against budget**

(i) Explanation of material variations		
Variance Ref	Item	Explanation
1	Roads	The value of works capitalised in the CBD was lower than forecast with some works carrying over into 2019/20.
2	Footpaths and cycleways	The value of works capitalised in the CBD was lower than forecast, works have been deferred to match the grant for the Lake Pertobe commencing in 2019/20.
3	Drainage	The Simpson Street Drainage project was originally planned to be completed over 2 financial years, however Council was able to gain efficiencies by scheduling the works to be completed in the 2018/19 financial year.
4	Recreational, leisure and community facilities	Deferral of the water treatment upgrade to be in line with other construction work at Aquazone, which minimises the aquatic facilities closure impact.
5	Waste Management	Purchase of the FOGO bins as part of the rollout of the new service.
6	Parks, open space and streetscapes	Works as part of the City Centre renewal that were budgeted in a prior year and upgrades to street/sports lighting.
7	Asset Categories	The increase in new asset expenditure mainly relates to the purchase of new bins for the FOGO service. Asset renewal has decreased which is mainly due to the expensing of capital works for expenditure on non-Council assets or to maintenance.

Notes on the financial statements

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1(a) Program summary

Corporate Strategies

The Corporate Strategies directorate is responsible for financial services, procurement, revenue, property and land management, leasing and legal issues, city assist (customer service), organisational development (human resources, occupational health and safety, learning and development), business improvement, information technology and records, communication services and the South-West Victorian Livestock Exchange. The directorate is largely responsible for servicing the administrative and legislative needs of other directorates with back-of-house systems and other support.

City Infrastructure

The City Infrastructure directorate provides infrastructure, capital works, asset management, waste management, environmental management, local laws, health and services to the Port of Warrnambool and the Warrnambool Regional Airport. The directorate provides engineering services including investigation, design, project management and engineering supervision of key infrastructure projects, strategy and policy advice to council, technical services and advice to the community, manages contract management for projects in the capital works program and serves the community by managing the city's road, drainage and footpath network, parks, recreational and sporting facilities and vehicle fleet. It is also responsible for local law enforcement, traffic and animal control and administration of school crossing supervision and is active in promoting and protecting the health of all residents and visitors through food safety monitoring, law enforcement of the Health Act, immunisation and public health education programs.

Community Development

The Community Development directorate plans for and provides a broad range of social, cultural, community, recreational and educational services and facilities to support residents of all ages and stages of life. The directorate receives funding from sources including State and Federal government departments to subsidise and support the services provided. The directorate works in partnership with government departments, and strategic partners and sectors to plan for and achieve the community's strategic goals and aspirations. Services in the directorate include: community policy and planning, baby makes 3+, early years learning and development, maternal and child health, family and children's services, preschools, family day care, outside school hours care, Warrnambool Library, AquaZone, multi-purpose stadium, gymnastics stadium, general recreation and planning, Warrnambool Art Gallery, Lighthouse Theatre, youth services, Archie Graham Community Centre, volunteer services, home and community care, meals on wheels, home maintenance, respite care, and rural access.

City Growth

The City Growth Directorate is required to plan, facilitate and deliver growth of population, jobs and investment but with the added responsibility of maintaining the liveability of Warrnambool for residents and visitors. City Growth has a key role in engaging business, all tiers of government and supporting regional growth in business and tourism. The directorate provides services including tourism development, visitor information centre, holiday parks, Flagstaff Hill Maritime Village, economic development and investment, business support, events, regional skilled migration (including the recently announced Designated Area Migration Agreement), city statutory planning and development, strategic planning to cater for new residential and commercial/industrial growth, building services, environment and sustainability services, open space planning and graphical information support. The directorate also plays a major role in supporting and adding value to the city's international relationships with Miura (Japan), Changchun (China), Knoxville (USA) and Mariestad (Sweden).

Notes on the financial statements

Note 2.1 Analysis of Council results by program (cont'd)

2.1 (b) Summary of revenues, expenses, assets and capital expenses by program						
		Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total property, infrastructure, plant and equipment
		\$'000	\$'000	\$'000	\$'000	\$'000
	2019					
	Corporate Strategies	53,619	23,625	29,994	4,558	4,924
	City Infrastructure	7,846	20,624	(12,778)	3,765	610,538
	Community Development	20,192	21,622	(1,430)	12,284	2,128
	City Growth	7,411	9,236	(1,825)	2,326	13,019
		89,068	75,107	13,961	22,933	630,609
		Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total property, infrastructure, plant and equipment
		\$'000	\$'000	\$'000	\$'000	\$'000
	2018					
	Corporate Strategies	46,450	25,987	20,463	4,298	5,224
	City Infrastructure	5,453	19,552	(14,099)	2,131	635,204
	Community Development	17,320	20,850	(3,530)	9,266	2,206
	City Growth	9,637	6,447	3,190	5,757	11,699
		78,860	72,836	6,024	21,452	654,333

Notes on the financial statements

Note 3 Funding for the delivery of our services

		2019	2018
3.1	Rates and charges	\$'000	\$'000
	Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its imputed market value. The valuation base used to calculate general rates for 2018-2019 was \$6.553 billion (2017-2018 \$6.262 billion).		
	Residential Rates	19,921	19,077
	Municipal charge	4,498	4,356
	Waste management charge	5,963	4,747
	Commercial rates	4,655	4,608
	Vacant Land rates	965	920
	Industrial rates	1,702	1,658
	Urban farm rates	410	400
	Cultural and recreational land rates	71	65
	Interest on rates and charges	79	86
	Total rates and charges	38,264	35,917
	The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation was 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.		
3.2	Statutory fees and fines		
	Parking fines	641	443
	Animal control	513	358
	Town planning and building	404	438
	Health and Local Laws	162	141
	Permits and certificates	134	238
	Total statutory fees and fines	1,854	1,618
	Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.		

Notes on the financial statements
Note 3 cont' Funding for the delivery of our services

3.3	User fees	2019	2018
		\$'000	\$'000
	Property management	774	735
	Indoor aquatic centre	2,103	2,261
	Children's services	1,774	1,976
	Multi-Purpose Sports Stadium	1,156	1,139
	Cultural centres	1,557	1,316
	Regulatory control	1,840	1,588
	Tourism and promotion	1,155	1,400
	Foreshore holiday parks	3,066	2,870
	Livestock exchange	1,147	1,000
	Aged services fees	768	774
	Other fees and charges	326	331
	Total user fees	15,666	15,390
	User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.		
3.4	Funding from other levels of government		
	Grants were received in respect of the following :		
	Summary of grants		
	Commonwealth funded grants	7,158	8,171
	State funded grants	15,775	13,281
	Total grants received	22,933	21,452
	(a) Operating Grants		
	Recurrent - Commonwealth Government		
	Victoria Grants Commission - Financial Assistance Grant	3,191	3,022
	Victoria Grants Commission - local roads	655	629
	Aged Services	1,885	1,710
	Other	86	85
	Recurrent - State Government		
	Port operations	93	91
	Employment initiatives	-	2
	Economic development	23	31
	Family and children	5,414	4,857
	Aged services	727	831
	Cultural centres	345	344
	Rural access	301	293
	Infrastructure services	-	151
	Environment initiatives	68	45
	School crossing supervision	193	164
	Pension rebate	676	638
	Other	92	5
	Total recurrent operating grants	13,749	12,898

Notes on the financial statements
Note 3 cont' - Funding for the delivery of our services

3.4		2019	2018
		\$'000	\$'000
	<i>Non-recurrent - Commonwealth Government</i>		
	Aged Services	-	79
	Economic development	91	-
	<i>Non-recurrent - State Government</i>		
	Economic development	679	202
	Family and children	817	341
	Aged services	241	412
	Recreation	-	90
	Cultural centres	235	109
	Environment initiatives	209	244
	Infrastructure Services	127	139
	Other	116	41
	Total non-recurrent operating grants	2,515	1,657
	Total operating grants	16,264	14,555
	(b) Capital Grants		
	<i>Recurrent - Commonwealth Government</i>		
	Roads to recovery	-	646
	Total recurrent capital grants	-	646
	<i>Non-recurrent - Commonwealth Government</i>		
	Infrastructure services	1,250	2,000
	<i>Non-recurrent - State Government</i>		
	Infrastructure services	1,947	3,661
	Recreation	2,247	140
	Port operations	937	-
	Environment initiatives	288	-
	Economic development	-	450
	Total non-recurrent capital grants	6,669	6,251
	Total capital grants	6,669	6,897
	(c) Unspent grants received on condition that they be spent in a specific manner		
	Balance at start of year	2,091	1,459
	Received during the financial year and remained unspent at balance date	5,163	1,735
	Received in prior years and spent during the financial year	(1,441)	(1,103)
	Balance at year end	5,813	2,091
	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.		

Notes on the financial statements

Note 3 cont' Funding for the delivery of our services

3.5(a)	Contributions	2019	2018
		\$'000	\$'000
	Monetary	1,739	1,545
	Non-monetary	4,629	1,460
	Total contributions	6,368	3,005
	<i>Contributions of non-monetary assets were received in relation to the following asset classes.</i>		
	Land	-	112
	Roads	2,473	569
	Drainage	738	372
	Footpaths and cycleways	992	255
	Land under roads	298	112
	Paintings and exhibits	128	40
	Total non-monetary contributions	4,629	1,460
	Monetary and non-monetary contributions are recognised as revenue when Council obtains control over the contributed asset.		
3.5(b)	Found assets		
	Found assets were received in relation to the following asset classes		
	Bridges	97	-
	Roads	14	106
	Drainage	2,673	498
	Footpaths and cycleways	36	87
	Paintings and exhibits	136	-
	Total found assets	2,956	691
	Found assets are recorded if they are discovered when Council completes its maintenance program. This mainly occurs with assets that are underground such as drainage and drainage pits.		
3.6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
	Proceeds of sale	280	305
	Impairment gain/(loss)	-	111
	Written down value of assets disposed		
	Plant and equipment	(255)	(108)
	Infrastructure	(1,191)	(1,118)
	Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,166)	(810)
	The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.		

Notes on the financial statements**Note 3 cont' Funding for the delivery of our services**

3.7	Other income	2019	2018
		\$'000	\$'000
	Interest	233	242
	Infrastructure services	206	46
	Recreation and cultural programs	1	33
	Family and community	8	13
	Reimbursements	305	270
	Other Income	220	161
	Total other income	973	765
	Interest is recognised as it is earned.		
	Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.		

Notes on the financial statements
Note 4 The cost of delivering services

		2019	2018
		\$'000	\$'000
4.1	(a) Employee costs		
	Wages and salaries	29,371	28,318
	WorkCover	796	722
	Superannuation	2,731	2,569
	Fringe benefits tax	296	277
	Total employee costs	33,194	31,886
	(b) Superannuation		
	Council made contributions to the following funds:		
	Defined benefit fund		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	247	247
		247	247
	Employer contributions payable at reporting date.	-	-
	Accumulation funds		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,470	2,311
	Employer contributions - other funds	14	11
		2,484	2,322
	Employer contributions payable at reporting date.	193	-
	Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2	Materials and services		
	Infrastructure services	7,968	8,277
	Waste management	3,550	2,602
	Recreation and cultural services	4,080	4,135
	Children's services	803	983
	Family day care	263	393
	Corporate services	4,544	4,438
	Tourism and promotion	2,328	2,265
	Aged services	821	991
	Foreshore caravan parks	978	772
	Livestock Exchange	449	376
	Health and local laws	1,129	858
	Other	653	464
	Total materials and services	27,566	26,554

Notes on the financial statements

Note 4 The cost of delivering services

4.3	Depreciation	2019	2018
		\$'000	\$'000
	Property	2,001	1,986
	Plant and equipment	1,786	1,808
	Infrastructure	7,963	8,471
	Total depreciation	11,750	12,265
	<i>Refer to note 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.</i>		
4.4	Bad and doubtful debts		
	Local Laws debtors	277	97
	Other debtors	55	32
	Total bad and doubtful debts	332	129
	Movement in provisions for doubtful debts		
	Balance at the beginning of the year	225	125
	New Provisions recognised during the year	277	100
	Amounts already provided for and written off as uncollectible	-	-
	Balance at end of year	502	225
	Provision for doubtful debts is recognised based on an expected credit loss model. This model considers both historic and forward-looking information in determining the level of impairment.		
4.5	Borrowing costs		
	Interest - Borrowings	310	411
	Total borrowing costs	310	411
	Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
4.6	Other expenses		
	Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals.	43	26
	Auditors' remuneration - Internal	78	66
	Councillor Allowances	266	265
	Operating lease rentals	402	424
	Total other expenses	789	781

Notes on the financial statements

Note 5 Our financial position

		2019	2018
5.1	Financial assets	\$'000	\$'000
	(a) Cash and cash equivalents		
	Cash on hand	28	28
	Cash at bank	6,668	3,542
	Total cash and cash equivalents	6,696	3,570
	(b) Other financial assets		
	Current		
	Term deposits - current	12,000	8,000
	Non-current		
	Unlisted shares in corporations	2	-
	Total other financial assets	12,002	8,000
	Total financial assets	18,698	11,570
	Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
	- Resort and recreation reserve (Note 9.1(b))	292	414
	- Trust funds and deposits (Note 5.3(b))	1,101	761
	Total restricted funds	1,393	1,175
	Total unrestricted cash and cash equivalents	5,303	2,395
	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	8,257	3,981
	Total funds subject to intended allocations	8,257	3,981
	Cash and cash equivalents include cash on hand, deposits at call, and other liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.		
	Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.		

Notes on the financial statements

Note 5 cont' Our financial position

	2019	2018
(c) Trade and other receivables	\$'000	\$'000
Current		
Statutory receivables		
Rates debtors	646	760
Infringement debtors	658	327
Provision for doubtful debts	(473)	(190)
GST receivable	730	363
Non statutory receivables		
Development and buildings	130	177
Animals	68	32
Child care	80	47
TAFE	63	63
Fire Service Levy	6	5
Other debtors	1,417	1,260
Provision for doubtful debts	(29)	(35)
Loans and advances to community organisations	24	56
Total current trade and other receivables	3,320	2,865
Non-current		
Non statutory receivables		
Loans and advances to community organisations	10	24
Total non-current trade and other receivables	10	24
Total trade and other receivables	3,330	2,889
<p>Short-term receivables are carried at invoice amount. A provision for doubtful debts is recognised based on an expected credit loss model. This model considers both historic and forward-looking information in determining the level of impairment. Long-term receivables are carried at amortised cost using the effective interest rate method.</p>		
Ageing of Receivables		
The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	1,387	1,073
Past due by up to 30 days	128	165
Past due between 31 and 180 days	139	145
Past due between 181 and 365 days	36	115
Past due by more than 1 year	79	131
Total trade and other receivables	1,769	1,629

Notes on the financial statements**Note 5 cont' Our financial position**

5.2	Non-financial assets	2019	2018
	(a) Inventories	\$'000	\$'000
	Inventories held for distribution	67	71
	Inventories held for sale	110	104
	Total inventories	177	175
	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	1,006	906
	Accrued income	249	355
	Total other assets	1,255	1,261
5.3	Payables		
	(a) Trade and other payables		
	Trade payables	1,195	924
	GST payable	293	88
	Accrued expenses	2,689	2,696
	Fire service levy liability	78	93
	Total trade and other payables	4,255	3,801
	(b) Trust funds and deposits		
	Refundable developer deposits	910	570
	Contract retention amounts	10	20
	Other refundable deposits	181	171
	Total trust funds and deposits	1,101	761

Notes on the financial statements

Note 5 cont' Our financial position

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.

Notes on the financial statements
Note 5 cont' Our financial position

		2019	2018
5.4	Interest-bearing liabilities	\$'000	\$'000
	Current		
	Borrowings - secured (1)	1,735	1,542
		1,735	1,542
	Non-current		
	Borrowings - secured (1)	8,301	4,537
		8,301	4,537
	Total	10,036	6,079
	(1) Borrowings are secured by Council rates		
	(a) The maturity profile for Council's borrowings is:		
	Not later than one year	1,735	1,542
	Later than one year and not later than five years	7,183	4,537
	Later than five years	1,118	-
		10,036	6,079
	<p>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.</p> <p>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.</p>		

Notes on the financial statements

Note 5 cont' Our financial position

5.5	Provisions			
		Employee	Landfill restoration	Total
	2019	\$ '000	\$ '000	\$ '000
	Balance at beginning of the financial year	7,021	804	7,825
	Additional provisions	2,551	-	2,551
	Amounts used	(2,577)	(80)	(2,657)
	Change in the discounted amount arising because of time and the effect of any change in the discount rate	23	64	87
	Balance at the end of the financial year	7,018	788	7,806
		Employee	Landfill restoration	Total
	2018	\$ '000	\$ '000	\$ '000
	Balance at beginning of the financial year	6,631	864	7,495
	Additional provisions	575	-	575
	Amounts used	(804)	(80)	(884)
	Change in the discounted amount arising because of time and the effect of any change in the discount rate	619	20	639
	Balance at the end of the financial year	7,021	804	7,825

Notes on the financial statements**Note 5 cont' Our financial position**

	2019	2018
(a) Employee provisions	\$'000	\$'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,994	1,797
Long service leave	420	456
	2,414	2,252
Current provisions expected to be wholly settled after 12 months		
Annual leave	316	506
Long service leave	3,761	3,765
	4,077	4,272
Total current employee provisions	6,491	6,524
Non-current		
Long service leave	527	497
Total non-current employee provisions	527	497
Aggregate carrying amount of employee provisions:		
Current	6,491	6,524
Non-current	527	497
Total aggregate carrying amount of employee provisions	7,018	7,021
The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.		
Wages and salaries and annual leave		
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.		
Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.		
Long service leave		
Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.		

Notes on the financial statements

Note 5 cont' Our financial position

	Key assumptions:	2019	2018
	- on-cost rate	11.270%	11.270%
	- wage inflation rate	4.313%	3.875%
	- discount rate	1.324%	2.647%
		2019	2018
	(b) Landfill rehabilitation provision	\$'000	\$'000
	Current	80	80
	Non-current	708	724
		788	804
	<p>Council is obligated to rehabilitate Watson Street landfill to a particular standard. The forecast life of the site is based on current requirements to monitor and provide after-care rehabilitation of the site. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to rehabilitate and monitor the site to a particular standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.</p>		
	Key assumptions:	2019	2018
	- rehabilitation years	30	30
	- remaining rehabilitated years	10	11
	- inflation rate	2.0%	2.0%
5.6	Financing arrangements		
	The Council has the following funding arrangements in place as at 30 June 2019		
	Bank overdraft	200	200
	Credit card facilities	150	150
	Total facilities	350	350
	Used facilities	71	84
	Unused facilities	279	266

Notes on the financial statements

5.7 Commitments

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

2019	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
Operating					
Recycling collection	623	647	2,090	1,528	4,888
Waste collection	774	803	2,596	1,897	6,070
Food and organics collection	821	852	2,755	2,013	6,441
Transactional banking	90	8	-	-	98
Cleaning services	361	43	-	-	404
Security Services	146	148	-	-	294
Parking Services	93	47	-	-	140
Animal Services	144	-	-	-	144
Internal Audit	71	73	37	-	181
Meals for delivery	198	-	-	-	198
Total	3,321	2,621	7,478	5,438	18,858
Capital					
Information Technology	121	11	34	-	166
Infrastructure	896	-	-	-	896
Drainage	322	-	-	-	322
Total	1,339	11	34	-	1,384

Notes on the financial statements

Note 5.7 cont' Commitments

2018	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
Operating					
Recycling collection	402	-	-	-	402
Waste collection	830	-	-	-	830
Transactional banking	88	90	15	-	194
Cleaning services	333	71	18	-	422
Security services	128	-	-	-	128
Parking services	83	85	43	-	211
Animal services	110	-	-	-	110
Internal audit	51	-	-	-	51
Meals for delivery	134	-	-	-	134
Total	2,160	246	77	-	2,482
Capital					
Information technology	50	-	-	-	50
Infrastructure	185	-	-	-	185
Roads and paths	1,947	-	-	-	1,947
Drainage	1,379	-	-	-	1,379
Total	3,561	-	-	-	3,561

Notes on the financial statements**Note 5.7 cont' Commitments**

Operating lease commitments	2019	2018
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):	\$'000	\$'000
Not later than one year	294	332
Later than one year and not later than five years	263	672
Later than five years	2	-
	559	1,004
Lease payments for operating leases are required by the accounting standard to be recognised on a straight-line basis, rather than expensed in the years in which they are incurred.		

Notes on the financial statement**Note 6 Assets we manage**

6.1	Noncurrent assets classified as held for sale	2019	2018
		\$'000	\$'000
	Parking meters at written down value	-	184
	Total noncurrent assets classified as held for sale	-	184
<p>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.</p>			

Notes on the financial statement
Note 6 cont' Assets we manage

6.2 Summary of property, infrastructure, plant and equipment										
	At Fair Value 30 June 2018	Additions	Contributions	Found Assets	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	161,790	-	298	-	-	(25)	(115)	-	-	161,948
Buildings	133,450	1,365	-	-	-	(1,976)	(53)	-	284	133,070
Plant and equipment	21,391	1,574	128	136	1,055	(1,786)	(256)	-	211	22,453
Infrastructure	329,656	10,716	4,203	2,820	(36,037)	(7,963)	(839)	-	6,347	308,903
Work in progress	8,046	4,094	-	-	-	-	-	(1,063)	(6,842)	4,235
Total	654,333	17,749	4,629	2,956	(34,982)	(11,750)	(1,263)	(1,063)	-	630,609

Summary of Work in Progress	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	432	608	(48)	(292)	700
Plant and equipment	-	61	-	-	61
Infrastructure	7,613	3,426	(1,015)	(6,550)	3,474
Total	8,045	4,095	(1,063)	(6,842)	4,235

Notes on the financial statement
Note 6 cont' Assets we manage

(a) Land and Buildings										
	Land - specialised	Land - non specialised	Land improvements	Total Land & Land Improvements	Buildings - specialised	Buildings - non specialised	Building improvements	Total Buildings	Work In Progress	Total Land and Buildings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	158,428	2,726	995	162,149	149,819	3,065	903	153,787	432	316,368
Accumulated depreciation at 1 July 2018	-	-	(359)	(359)	(20,033)	(78)	(226)	(20,337)	-	(20,696)
	158,428	2,726	636	161,790	129,786	2,987	677	133,450	432	295,672
Movements in fair value										
Additions	-	-	-	-	1,329	28	8	1,365	608	1,973
Non-cash contributed assets	298	-	-	298	-	-	-	-	-	298
Found Assets	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposal	(115)	-	-	(115)	(90)	-	-	(90)	-	(205)
Transfers	-	-	-	-	284	-	-	284	(292)	(8)
Work in progress expensed through operating result	-	-	-	-	-	-	-	-	(48)	(48)
	183	-	-	183	1,523	28	8	1,559	268	2,010
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	(25)	(25)	(1,920)	(39)	(17)	(1,976)	-	(2,001)
Accumulated depreciation of disposals	-	-	-	-	37	-	-	37	-	37
Transfers	-	-	-	-	-	-	-	-	-	-
	-	-	(25)	(25)	(1,883)	(39)	(17)	(1,939)	-	(1,964)
At fair value 30 June 2019	158,611	2,726	995	162,332	151,342	3,093	911	155,346	700	318,378
Accumulated depreciation at 30 June 2019	-	-	(384)	(384)	(21,916)	(117)	(243)	(22,276)	-	(22,660)
	158,611	2,726	611	161,948	129,426	2,976	668	133,070	700	295,718

Notes on the financial statement

Note 6 cont' Assets we manage

(b) Plant and Equipment						
	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Paintings and exhibits	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	9,129	5,656	6,364	11,699	-	32,848
Accumulated depreciation at 1 July 2018	(4,661)	(4,579)	(2,217)	-	-	(11,457)
	4,468	1,077	4,147	11,699	-	21,391
Movements in fair value						
Additions	1,344	23	171	36	61	1,635
Non-cash contributed assets	-	-	-	128	-	128
Found Assets	-	-	-	136	-	136
Revaluation	-	-	-	1,055	-	1,055
Disposal	(873)	-	(360)	(35)	-	(1,268)
Transfers	-	-	211	-	-	211
	471	23	22	1,320	61	1,897
Movements in accumulated depreciation						
Depreciation and amortisation	(1,037)	(101)	(648)	-	-	(1,786)
Accumulated depreciation of disposals	669	-	343	-	-	1,012
Transfers	-	-	-	-	-	-
	(368)	(101)	(305)	-	-	(774)
At fair value 30 June 2019	9,600	5,679	6,386	13,019	61	34,745
Accumulated depreciation at 30 June 2019	(5,029)	(4,680)	(2,522)	-	-	(12,231)
	4,571	999	3,864	13,019	61	22,514

Notes on the financial statement

Note 6 cont' Assets we manage

(c) Infrastructure												
	Roads	Bridges	Foot-paths and cycle-ways	Drainage	Recreational, leisure and community	Parks open spaces and street-scapes	Aero-dromes	Off street car parks	Waste Management	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	246,244	32,519	51,454	81,391	6,406	12,872	10,012	13,781	-	7,711	7,614	470,004
Accumulated depreciation at 1 July 2018	(59,848)	(10,214)	(21,838)	(22,397)	(4,200)	(5,509)	(1,586)	(3,064)	-	(4,078)	-	(132,734)
	186,396	22,305	29,616	58,994	2,206	7,363	8,426	10,717	-	3,633	7,614	337,270
Movements in fair value												
Additions	4,406	-	2,025	2,301	176	1,187	-	-	606	15	3,425	14,141
Non-cash contributed assets	2,577	-	992	738	-	-	-	-	-	-	-	4,307
Found Assets	14	97	36	2,673	-	-	-	-	-	-	-	2,820
Revaluation increment / (decrement)	(312)	-	-	-	-	-	38	44	-	-	-	(230)
Disposal	(1,306)	-	(64)	(77)	-	(1,039)	-	(11)	-	-	-	(2,497)
Transfers	320	-	144	2,356	-	3,527	-	-	-	-	(6,550)	(203)
Work in progress expensed through operating result	-	-	-	-	-	-	-	-	-	-	(1,015)	(1,015)
	5,699	97	3,133	7,991	176	3,675	38	33	606	15	(4,140)	17,323

Notes on the financial statement

Note 6 cont' Assets we manage

(c) Infrastructure cont'												
	Roads	Bridges	Foot-paths and cycle-ways	Drainage	Recreational, leisure and community	Parks open spaces and street-scapes	Aero-dromes	Off street car parks	Waste Management	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Movements in accumulated depreciation												
Depreciation and amortisation	(3,974)	(351)	(1,174)	(898)	(204)	(540)	(237)	(403)	(7)	(175)	-	(7,963)
Accumulated depreciation of disposals	658	-	39	22	-	929	-	10	-	-	-	1,658
Non-cash contributed assets	(104)	-	-	-	-	-	-	-	-	-	-	(104)
Revaluation increment / (decrement)	(34,089)	-	-	-	(50)	-	200	(1,868)	-	-	-	(35,807)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
	(37,509)	(351)	(1,135)	(876)	(254)	389	(37)	(2,261)	(7)	(175)	-	(42,216)
At fair value 30 June 2019	251,943	32,616	54,587	89,382	6,582	16,547	10,050	13,814	606	7,726	3,474	487,327
Accumulated depreciation at 30 June 2019	(97,357)	(10,565)	(22,973)	(23,273)	(4,454)	(5,120)	(1,623)	(5,325)	(7)	(4,253)	-	(174,950)
	154,586	22,051	31,614	66,109	2,128	11,427	8,427	8,489	599	3,473	3,474	312,377

Notes on the financial statement

Note 6 cont'

Acquisition				
<p>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.</p> <p>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 been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.</p>				
			Depreciation Period	Threshold Limit
Asset recognition thresholds and depreciation periods				\$'000
Land & land improvements				
land			n/a	0
land improvements			20 - 200 years	5
Buildings				
buildings			30 - 100 years	5
building improvements			25 - 60 years	1
leasehold improvements			10 - 20 years	1
Plant and Equipment				
plant, machinery and equipment			3 - 40 years	1
fixtures, fittings and furniture			2 - 25 years	5
computers and telecommunications			5 - 20 years	2
paintings and exhibitions			n/a	0
Infrastructure				
roads			16 - 200 years	5
bridges			30 - 200 years	5
footpaths and cycleways			15 - 65 years	5
drainage			20 - 200 years	1
recreational, leisure and community facilities			20 - 80 years	1
parks, open spaces and streetscapes			15 - 80 years	5
off street car parks			16 - 200 years	5
aerodromes			16 - 100 years	1
other infrastructure			20 - 60 years	5

Notes on the financial statements

Note 6 cont'

Land under roads

Council recognises land under roads it controls at fair value from 1 January 2008.

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.

Land and Artworks are not depreciated.

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.

Notes on the financial statement**Note 6.2 cont'****Valuation of land and buildings**

Valuation of land and buildings were undertaken by a qualified independent valuer SPM Consultants, in consultation with Mr John Finnerty Adv.Dip.Man, Coordinator Strategic Asset Management with Warrnambool City Council. 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.

Non-specialised buildings were professionally valued in 2016; a review of this value in 2018 indicated no material change in value. The current valuation of specialised buildings is based on a component level condition assessment and depreciated replacement cost, based on information by SPM Consultants who were engaged by Warrnambool City Council.

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.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Land - non specialised	-	2,726	-	30/06/2016
Land - specialised	-	-	158,611	30/06/2015
Land Improvements	-	-	611	30/06/2015
Buildings - non specialised	-	2,976	-	30/06/2016
Buildings - specialised	-	-	129,426	30/06/2018
Building improvements	-	-	668	30/06/2018
Total	-	5,702	289,316	

Notes on the financial statement**Note 6.2 cont'****Valuation of infrastructure**

Valuation of infrastructure assets was performed by Mr Scott Cavanagh RPEng Civil MGT, Director City Infrastructure with Warrnambool City Council.

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 2019 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Roads	-	-	154,586	30/06/2019
Bridges	-	-	22,051	30/06/2018
Footpaths and cycleways	-	-	31,614	30/06/2018
Drainage	-	-	66,109	30/06/2018
Recreational, leisure and community facilities	-	-	2,128	30/06/2018
Parks, open space and streetscapes	-	-	11,427	30/06/2018
Aerodromes	-	-	8,427	30/06/2019
Off street car parks	-	-	8,489	30/06/2019
Waste management	-	-	599	30/06/2019
Other infrastructure	-	-	3,473	30/06/2018
Total	-	-	308,903	

Notes on the financial statement**Note 6.2 cont'****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 70% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.12 and \$939 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and ranges from \$258 to \$3,905 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 0 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 0 years to 200 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.

			2019	2018
			\$'000	\$'000
Reconciliation of specialised land				
Land under roads			3,783	3,486
Crown land			75,144	75,144
Council freehold land			79,684	79,798
Total specialised land			158,611	158,428

Notes on the financial statement
Note 6.3 Investments in associates

		2019	2018
6.3	Investments in associates	\$'000	\$'000
	(a) Investments in associates		
	Investments in associates accounted for by the equity method are:		
	- Corangamite Regional Library Corporation	633	569
	Corangamite Regional Library Corporation		
Background	Warrnambool City Council in conjunction with Colac Otway Shire, Corangamite Shire and Moyne Shire have an interest in the Corangamite Regional Library Corporation. The Library Corporation services much of the population of the South West Victoria and Warrnambool City Council currently has a 39.00% equity interest (38.91% in 2017/18).		
	Fair value of Council's investment in Corangamite Regional Library Corporation	633	569
	Council's share of accumulated surplus/(deficit)		
	Council's share of accumulated surplus/(deficit) at start of year	424	422
	Reported surplus/(deficit) for year	54	22
	Transfers (to) / from reserves	120	(15)
	Movement in equity share	10	(5)
	Council's share of accumulated surplus/(deficit) at end of year	608	424
	Council's share of reserves		
	Council's share of reserves at start of year	145	130
	Transfers to / (from) reserves	(120)	15
	Council's share of reserves at end of year	25	145
	Movement in carrying value of specific investment		
	Carrying value of investment at start of year	569	552
	Share of surplus(deficit) for year	54	22
	Movement in equity share	10	(5)
	Carrying value of investment at end of year	633	569
	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.		

Notes on the financial statement**Note 6.3 cont' Investments in associates**

(b) Committees of management			
Port of Warrnambool			
The Council is the Committee of Management for the Port of Warrnambool. The financial transactions have been included in Council's financial statements and are summarised below:			
		2019	2018
		\$'000	\$'000
Income			
Grants - operating		93	91
User fees		8	5
Grants - capital		937	307
Total Income		1,038	403
Expenditure			
Materials and Services		101	90
Capital expenditure		88	170
Total Expenditure		189	260
Profit / (Loss)		849	143
The operation of the Port of Warrnambool is by an agreement between Warrnambool City Council and the Department of Transport. Any assets are returnable on cessation of the agreement.			

Notes on the financial report

Note 7 People and relationships

7.1	Council and key management remuneration		
	(a) Related Parties		
	Parent entity Warrnambool City Council is the parent entity. Subsidiaries and Associates Interests in associates are detailed in Note 6.3.		
	(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 Tony Herbert (Mayor from 29 October 2018 to 30 June 2019)	
		Councillor Robert Anderson (Mayor from 1 July 2018 to 29 October 2018)	
		Councillor Sue Cassidy	
		Councillor Kylie Gaston	
		Councillor Peter Hulin	
		Councillor Michael Neoh	
		Councillor David Owen	
	Chief Executive Officer	Mr Bruce Anson (1 July 2018 to 3 January 2019)	
		Ms Vikki King (interim, 4 January 2019 - 10 February 2019)	
		Mr Peter Schneider (11 February 2019 - 30 June 2019)	
	Key Management Personnel	Ms Vikki King - Director Community Development	
		Mr Scott Cavanagh - Director City Infrastructure	
		Mr Peter Utri - Director Corporate Strategies	
		Mr Andrew Paton - Director City Growth	
		2019	2018
		No.	No.
	Total Number of Councillors	7	7
	Chief Executive Officer and other Key Management Personnel	6	5
	Total Key Management Personnel	13	12

Notes on the financial report

Note 7 cont' People and relationships

(c) Remuneration of Key Management Personnel	2019	2018
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,277	1,269
Long-term benefits	24	24
Post-employment benefits	95	94
Total	1,396	1,387

A restatement of the 2017/18 remuneration amounts has occurred due to guidance provided by VAGO and includes annual accrued leave benefits (previously total leave entitlements).

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:	2019	2018
	No.	No.
\$20,000 - \$29,999	5	5
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	1	1
\$120,000 - \$129,999	1	-
\$180,000 - \$189,999	1	1
\$200,000 - \$209,999	3	2
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
\$320,000 - \$329,999	-	1
Total number	13	12

A restatement of the 2017/18 remuneration bandings has occurred due to guidance provided by VAGO and includes annual accrued leave benefits (previously total leave entitlements).

Notes on the financial report

Note 7 cont' People and relationships

<p>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 \$148,000 The number of Senior Officers are shown below in their relevant income bands:</p>		
	2019	2018
Income Range:	No.	No.
<\$148,000*	1	2
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	2	-
Total number	4	3
* <i>Snr Officer commenced employment March 2018</i>		
	2019	2018
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	\$630	\$349

Notes on the financial report

7.2 Related party disclosure

(a) Transactions with related parties

During the period, Council entered into the following transactions at arms length and normal operating terms with related parties.

Councillor	Related Party	Nature of relationship	Terms and Conditions	Nature of Transactions	Aggregate Total \$'000
Cr Neoh	South West Sport	Executive Officer	Commercial	Training workshops and contributions to community clubs	1
Cr Neoh	South West Sport	Executive Officer	Commercial	Rental of venues	(3)
Cr Cassidy	The Cassign Trust trading as Cassign	Spouse Controlled Entity	Commercial	Supply and installation of signage	24
Cr Cassidy	The Tyre Factory	Family Member Controlled Entity	Commercial	Automotive tyre repair and replacement	1
Cr Herbert	Motang Park Pty Ltd	Director	Commercial	Developer contribution payment	(20)

Notes on the financial report

7.2 Related party disclosure cont'

(b) Outstanding balances with related parties						
The following balances are outstanding at the end of the reporting period in relation to transactions at arms length and normal operating terms with related parties						
Councillor	Related Party	Nature of relationship	Terms and Conditions	Nature of Transaction	2019 \$'000	2018 \$'000
Cr Herbert	Bellagio Properties Pty Ltd	Director	Commercial	Developer contribution payments	0	(49)
Cr Neoh	South West Sport	Executive Officer	Commercial	Rental of venues	(1)	(2)
					2019	2018
(c) Loans to/from related parties					\$'000	\$'000
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:					0	0
					2019	2018
(d) Commitments to/from related parties					\$'000	\$'000
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:					0	0

Notes on the financial report

Note 8 Managing uncertainties

8.1	Contingent assets and liabilities		
	Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.		
	(a) Contingent assets		
	Construction of infrastructure assets by developers in the course of creating new subdivisions results in the infrastructure assets being vested in Council when Council issues a Statement of Compliance. At reporting date, developers had commenced construction of assets that will eventually be transferred to Council contingent upon Council issuing a Statement of Compliance. Due to the nature of the arrangements in place and the assets involved, a contingent asset amount cannot be reliably measured prior to completion.		
	(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. Because of the volatility in financial markets, the likelihood of making such contributions in future periods exists.		
	Insurance Claim		
	Council was required to relocate one of their childcare centres due to building maintenance issues, which is covered under insurance, upon which a claim has been accepted. At reporting date, the quantum of the insurance claim is unknown.		
	(c) Guarantees for loans to other entities		
	The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee. Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. The Council acts as guarantor in respect of bank loans provided to the following clubs and community groups:		
		Balance of borrowings	
	Original Loan	2019	2018
	\$'000	\$'000	\$'000
Entity and Institution			
City Memorials Bowls Club - Commonwealth Bank	2,000	3	5
Warrnambool Returned Services Club - Commonwealth Bank	3,351	2,822	2,952
Warrnambool Football Netball Club - Commonwealth Bank	800	722	793
Old Collegians Football Netball Club - NAB	82	82	-
Dennington Football Netball Club - Bendigo Bank	49	48	-
Dennington Bowls Club - Bendigo Bank	100	21	-

Notes on the financial report

Note 8 Managing uncertainties cont'

8.2	<p>Change in accounting standards</p> <p>The following new AAS's have been issued that are not mandatory for the 30 June 2019 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.</p> <p><i>Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)</i> 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. The impact is non-material.</p> <p><i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)</i> This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.</p> <p>Leases (AASB 16) (applies 2019/20)</p> <p>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. Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non-low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$159,000 in lease related assets and an equivalent liability.</p> <p>Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)</p> <p>This standard is expected to apply to certain transactions currently accounted for under <i>AASB 1004 Contributions</i> and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives. The impact is non-material.</p>
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Notes on the financial report

Note 8 Managing uncertainties cont'

8.3	<p>Financial instruments</p> <p>(a) Objectives and policies</p> <p>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. Senior management under policies approved by the Council carries out risk management. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.</p> <p>(b) Market risk</p> <p>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.</p> <p>Interest rate risk</p> <p>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. 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.</p> <p>Investment of surplus funds is made with approved financial institutions under the <i>Local Government Act 1989</i>. Council manages interest rate risk by adopting an investment policy that ensures:</p> <ul style="list-style-type: none"> - diversification of investment product; - monitoring of return on investment; and - benchmarking of returns and comparison with budget. <p>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.</p> <p>(c) Credit risk</p> <p>Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:</p> <ul style="list-style-type: none"> - council may require collateral where appropriate; and - council only invests surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy. <p>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.</p> <p>There are no material financial assets which are individually determined to be impaired.</p> <p>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 8.1(b).</p> <p>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.</p>
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Notes on the financial report

Note 8 Managing uncertainties cont'

<p>8.3 cont'</p>	<p>(d) Liquidity risk</p> <p>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.</p> <p>To help reduce these risks Council:</p> <ul style="list-style-type: none"> - 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 liquid instruments, such as term deposits and at call accounts; - 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. <p>The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.</p> <p>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.</p> <p>With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.</p> <p>Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.</p>
	<p>(e) Sensitivity disclosure analysis</p> <p>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:</p> <ul style="list-style-type: none"> - A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 1.25% (further reduced to 1.00% in July 2019). <p>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.</p>
<p>8.4</p>	<p>Fair value measurement</p> <p><i>Fair value hierarchy</i></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> 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. <p>For the purpose of fair value disclosures, Council has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.</p> <p>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.</p>

Notes on the financial report

Note 8 Managing uncertainties cont'

8.4 cont'	Revaluation
	<p>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.</p> <p>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 4 years. The valuation is performed either by experienced council officers or independent experts.</p> <p>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.</p>
	Impairment of assets
	<p>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.</p>
8.5	Events occurring after balance date
	<p>No matters have occurred after balance date that require disclosure in the financial report.</p>

Notes on the financial report

Note 9 Other matters

9.1	Reserves	Balance at beginning of reporting period	Increment / (decrement)	Balance at end of reporting period
	(a) Asset revaluation reserves	\$'000	\$'000	\$'000
	2019			
	Property			
	Land	124,063	-	124,063
	Buildings	99,206	-	99,206
		223,269	-	223,269
	Infrastructure			
	Roads	135,625	(36,275)	99,350
	Bridges	15,346	-	15,346
	Footpaths and cycleways	677	-	677
	Drainage	21,218	-	21,218
	Corangamite Regional Library Corporation	706	-	706
	Aerodrome	-	238	238
	Artworks	1,585	1,055	2,640
	Other infrastructure	29,041	-	29,041
		204,198	(34,982)	169,216
	Total asset revaluation reserves	427,467	(34,982)	392,485

Notes on the financial report

Note 9 Other matters cont'

9.1		Balance at beginning of reporting period \$'000	Increment / (decrement) \$'000	Balance at end of reporting period \$'000
	2018			
	Property			
	Land	124,063	-	124,063
	Buildings	99,181	25	99,206
		223,244	25	223,269
	Infrastructure			
	Roads	155,467	(19,842)	135,625
	Bridges	15,346	-	15,346
	Footpaths and cycleways	390	287	677
	Drainage	21,218	-	21,218
	Corangamite Regional Library Corporation	706	-	706
	Artworks	1,585	-	1,585
	Other infrastructure	29,041	-	29,041
		223,753	(19,555)	204,198
	Total asset revaluation reserves	446,997	(19,530)	427,467
<p>The asset revaluation reserve is used to record the increased (net) value of Council's assets over time. The Corangamite Regional Library Corporation recognises the fair value of revalued assets in their books.</p>				

Notes on the financial report

Note 9 Other matters cont'

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
2019				
Main drainage fund	63	891	-	954
Committed reserve	4,077	-	270	3,807
Heritage restoration fund	45	-	-	45
Insurance claims reserve	90	-	-	90
Information technology reserve	131	-	-	131
Art gallery reserve	46	1	-	47
Resort and recreation reserve	414	-	122	292
Car park fund	21	-	-	21
North of the Merri developer contribution reserve	382	9	-	391
Hopkins Point Road developer contribution reserve	13	-	-	13
Northeast DCP	655	-	106	549
Total other reserves	5,937	901	498	6,340

Notes on the financial report

Note 9 Other matters cont'

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
2018				
Main drainage fund	67	-	4	63
Committed reserve	3,479	598	-	4,077
Heritage restoration fund	44	1	-	45
Insurance claims reserve	90	-	-	90
Information technology reserve	131	-	-	131
Art gallery reserve	45	1	-	46
Resort and recreation reserve	422	-	8	414
Car park fund	723	-	702	21
North of the Merri developer contribution reserve	372	10	-	382
Hopkins Point Road developer contribution reserve	87	-	74	13
Northeast DCP	639	16	-	655
Total other reserves	6,099	626	788	5,937

Main Drainage Fund is maintained specifically for future major drainage works.
 Committed Reserve is specifically for future works and Council's small infrastructure fund.
 Heritage Restoration Fund is maintained specifically for grant loans for heritage works.
 Insurance Claims Reserve is maintained specifically for Council's self-insurance.
 Information Technology Reserve is maintained specifically for major information technology upgrades.
 Art Gallery Reserve is maintained specifically for the purchase of art pieces.
 Resort and Recreation Reserve is maintained specifically for public open space works.
 Car Park Fund is maintained specifically for future major car park works.
 North of the Merri Developer Contributions Reserve is maintained specifically for contributions held in this growth area.
 Hopkins Point Road Developer Contributions Reserve is maintained specifically for contributions held in this growth area.
 Northeast DCP Developer Contributions Reserve is maintained specifically for contributions held for the growth areas of Dales Road and Aberline Road.

Notes on the financial report

Note 9.2

9.2	Reconciliation of cash flows from operating activities to surplus/(deficit)	2019	2018
		\$'000	\$'000
	Surplus/(deficit) for the year	13,961	6,024
	Add / (deduct) non-cash items:		
	Depreciation	11,750	12,265
	Bad and doubtful debts expense	332	129
	Profit/(loss) on disposal of property, infrastructure, plant and equipment	1,166	810
	Contributions - Non-monetary assets	(4,629)	(1,460)
	Found assets	(2,956)	(691)
	Share of net (profits) or loss of associates	(54)	(22)
	Prior year WIP written off	1,063	1,568
	Change in assets and liabilities:		
	(Increase)/decrease in trade and other receivables	(406)	1,158
	(Increase)/decrease in prepayments	(100)	(602)
	(Increase)/decrease in accrued income	106	79
	(Increase)/decrease in inventories	(2)	5
	Increase/(decrease) in trust deposits	340	113
	Increase/(decrease) in trade and other payables	254	(44)
	Increase/(decrease) in provisions	(19)	329
	Increase/(decrease) in accrued expenses	179	(495)
	Increase/(decrease) in net GST	(162)	120
	Net cash provided by/(used in) operating activities	20,823	19,286

Notes on the financial report

Note 9.3 Superannuation

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 Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee (SG) 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 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes on the financial report

Note 9.3 cont'

Employer Contributions

Regular contributions

Based on the results of the 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). 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.

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Warrnambool City Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

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

	2018	2017
	\$m	\$m
A VBI surplus	\$131.9	\$69.8
A total service liability surplus of \$193.5 million.	\$218.3	\$193.5
A discounted accrued benefits surplus of \$228.8 million.	\$249.1	\$228.8

Notes on the financial report

Note 9.3 cont'

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 2018.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2018.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2018.

Council was notified of the 30 June 2018 VBI during August 2018 (2017: August 2017).

The 2019 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.