



Rural City of
Wangaratta

Annual Report

2020-21





Welcome

Welcome to the 2020-2021 Annual Report for the Rural City of Wangaratta.

The Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020) require Victorian councils to prepare an annual report in respect to each financial year. Our Annual Report outlines our performance against the objectives and goals contained within our Council Plan 2017-2021 and provides an overview of our operational and financial performance for the 2020-2021 financial year.

Acknowledgement of traditional owners

The Rural City of Wangaratta acknowledges the traditional owners of the land and we pay our respects to their Elders past, present and emerging.

Contents

Rural City of Wangaratta	4
Our Values	4
Our Vision	4
Mayor's Message	6
CEO's Message	7
Financial Summary	8
Our Councillors	14
Our Committees	15
Our People	16
Organisational Structure	17
Report of Operations	18
Statutory Information	46
Governance and Management Checklist	49
Development Contribution Plans	52
Performance Statement	54
Financial Report	66

Wangaratta Government Centre

62-68 Ovens St
Wangaratta VIC 3677

PO Box 238
Wangaratta VIC 3676

P 03 5722 0888
F 03 5721 9526

E council@wangaratta.vic.gov.au
W wangaratta.vic.gov.au

Rural City of Wangaratta

We are the Rural City of Wangaratta, but in truth, we're so much more than that.

We are a municipality that includes both a vibrant city and distinctive rural towns.

We are known for our waterways, our rugged beauty, our surrounding landscapes, as well as being home to some of Australia's best local produce.

Our industries include transport and logistics, health services, education and government agencies, small business and a nationally significant agricultural industry.

Our community is a hub for recreational, commercial, educational, tourism and health facilities. The families in our region value access to childcare and kindergarten services, twenty primary schools, specialist schools and three secondary facilities. Tertiary education includes a TAFE Institute, a centre for continuing education and a campus of Charles Sturt University.

The Rural City of Wangaratta is where you can have it all. A quality lifestyle in a vibrant, safe and caring community, at a pace you can enjoy while balancing family and career aspirations.

Our Values

Leadership

We will show diligence and good governance when making decisions. We will accept responsibility for the consequences of those decisions.

Engagement

We will actively and openly consult with you. We strive to achieve effective governance and the best outcome for the community.

Respect

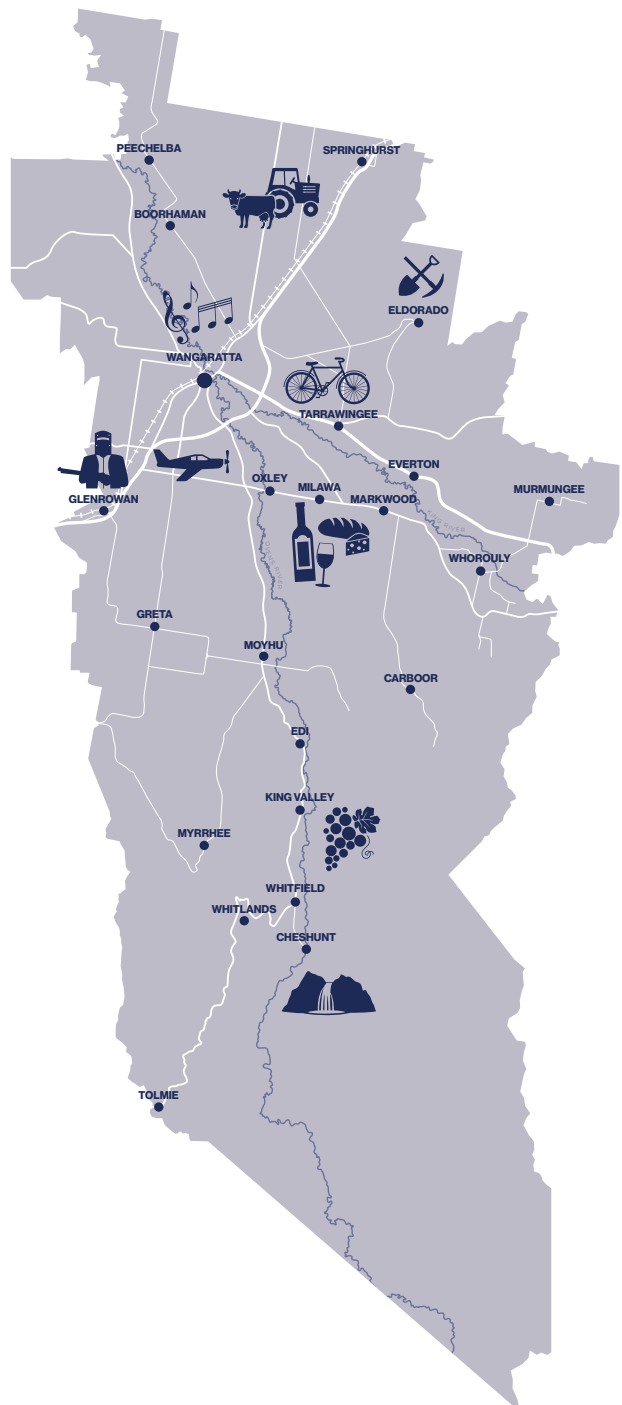
We will value the contribution and individuality of others. We aim to achieve an honest and healthy working relationship with all our citizens.

Progression

We aim to continually improve our performance. We strive for the highest standards and outcomes for our municipality.

Our Vision

We are an inclusive, courageous and compassionate community, who have built our future on a respectful balance between the urban and the rural. We are known for our natural beauty, access to opportunities and innovation, our resilience, and our community strength. We have a mature and healthy landscape that supports our wellbeing and forms a strong part of our identity. We are the place where everyone has the ability to engage, to prosper, to be supported, and to grow.



Rural City of Wangaratta Fast Facts

Current Population

29,660

Area

3,645 sq km

702km
sealed road
1,276km
unsealed road



277km
of walking/
cycling track

11.38k
tonnes of
waste is collected
kerbside annually



15.2°C
Average
temperature



642mm
Average
rainfall



6 fitness
equipment
stations



74
sporting fields,
including
21
playing fields



4
skateparks/
pump tracks



39
playgrounds

26
community
halls



1 in 5
people identify
as living with a
disability.



21 Primary
Schools (2 P-12)
and an additional

3 Secondary
Schools



9
pre-schools/
kindergartens



Mayor's message

I am particularly proud of Council's achievements this past year, especially because of the challenging circumstances we were working and living within.

Our financial year was punctuated by the Covid-19 pandemic, which has fundamentally transformed the way we work and live. As a Council we have been quick to adapt and work hard to ensure support is provided to our community where it is needed, that our services and facilities are not disrupted more than necessary, and that we maintain our long-term focus on the community vision and continue to invest in the future of the Rural City of Wangaratta.

Speaking of which, we worked closely with the community to develop our Council Plan and 12-Year Community Vision. This extensive process of deliberative community engagement saw the formation of the 126-member Shape Wangaratta Panel and more than 1000 responses to a community survey – an incredible outcome. It was vital that the Community Vision and Council Plan represent the views of our community across the entire region, as these are the documents which guide our priorities.

I was especially proud to officially launch two significant projects this year: Wangaratta Sports and Aquatics Centre and the Railway Precinct Enhancement Project. Completed in December 2020, the Wangaratta Sports and Aquatic Centre is already proving to bring enormous benefits to the community and had an outstanding summer season. In May, we celebrated the completion of the new-look \$8.5 million Railway Precinct. The aim of this project has been to create a welcoming gateway to Wangaratta, drive investment, and most importantly, to be a place for our local residents to enjoy coming together. That's why it was only fitting to launch the precinct with a brilliant community event with local musicians, artists and businesses, as well as the "The Beacon" artwork on the water tower being lit up for the first time with an interactive display.

Amongst the challenges brought by the pandemic, it has ignited many positive changes too. Most notably, it propelled the Grit and Resilience Program, which has continued to evolve and grow during this past financial year. This four-year initiative funded by the Federal Government is playing a vital role in helping our community to unite and build strength, courage and connection with each other, so that we can overcome hardships together.

On behalf of my fellow Councillors, I would like to thank our community for their input into the many consultations conducted during the year. Your ideas, opinions and feedback are always important in ensuring we are driving our municipality towards the vision you want. Thank you to my fellow Councillors, Council's CEO, Management Team and Officers for their hard work and resilience. I am proud to recognise the achievements of our Council over the last year and while we are still facing a time of uncertainty and challenge, I have confidence that our strong, resilient, and motivated community will continue to thrive together.

Cr Dean Rees
Mayor

CEO's message

This past year has been filled with new challenges and opportunities. I am proud of the way Council has enhanced support to our community in 2020/21. While economic and social impacts on businesses and individuals are still being felt because of the Covid-19 pandemic, we have continued to create opportunities for business, recreation and community connectedness through events, initiatives and funding.

With a focus on getting people and community groups back together, our Community Connection Events Fund provided up to \$1000 to 29 diverse groups in the Rural City of Wangaratta to help them hold events that would bolster social connections and promote resilience.

Some key major projects were completed in 2020/21, most notably our Aquatics Project, which opened in December 2020, and the Wangaratta Railway Precinct Enhancement Project, completed in April 2021. These cutting-edge projects are now being enjoyed by a wide spectrum of the community, and will continue to attract more investment, events and growth in the future.

We also commenced major projects including the Glenrowan Heritage Project, Wareena Park Masterplan and the Apex Park Regional Playspace – the community will see more work unfolding over the coming year.

Our dedicated staff have worked quickly to adapt our service offering in response to the COVID-19 pandemic, which has had a significant impact on our community. Among many changes, this included transitioning much of our workforce to remote working, while continuing to provide customer service during office closures. We also provided 30 new roles for our community who lost their jobs through the pandemic with the State government's Working for Victoria funding program. These people have made a significant difference to our ability to complete numerous projects and implement new strategies.

I thank the Mayor and the Councillors for their leadership and support, our staff for all their hard work and willingness to adapt during this challenging time, and the Rural City of Wangaratta community for their ongoing patience and resilience.

I do hope that the next financial year is not as challenging but if it is, we are well placed to meet the needs of our community and continue to support the Rural City of Wangaratta as a thriving place to live, work and play.



Brendan McGrath
Chief Executive Officer

Financial Summary

Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this Report. Council manages over \$647 million dollars in assets comprising of land, building and other infrastructure assets such as roads, footpaths, bridges, drainage and bike paths.

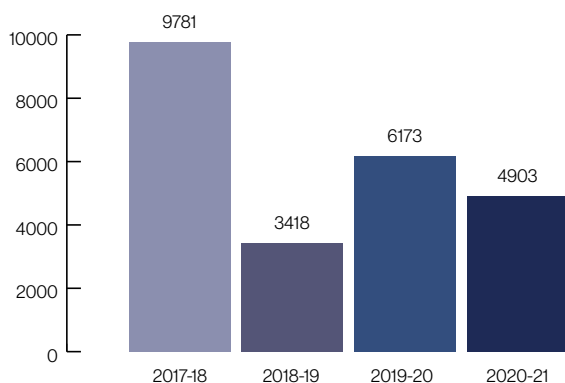
Operating Position

Council achieved a surplus of \$4.903 million in 2020/21. The adjusted underlying deficit of Council, after removing non-recurrent capital grants, monetary and non-monetary capital contributions is \$4.30 million. In 2020/21 Council had \$8.68 million of extraordinary, non-recurrent expenditure (eg increase in landfill provision and write off of non-capital items). Council's adjusted underlying surplus would be \$4.38 million if these items were excluded.

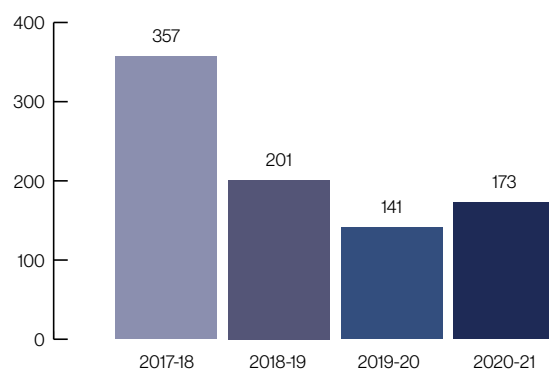
Liquidity

Cash has increased by 130 per cent from the prior year mainly due to borrowings drawn down in 2020/21 for completed capital works. 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 173 per cent is an indicator of satisfactory financial position and is in line with Council's target of greater than 100%.

Surplus/(Deficit) \$'000



Working Capital Ratio (%)



Obligations

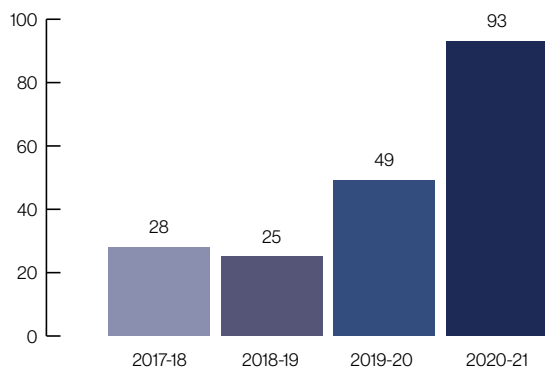
Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. At the end of the 2020/2021 financial year, Council's indebtedness level, which is measured by comparing non-current liabilities to own sourced revenue was 93 per cent. While this is within VAGO's high risk profile for indebtedness, Council's debt ratio is projected to improve from 2021/2022 onwards as outlined in the adopted budget. Council's debt ratio will return to within the expected range on payment of a material interest only loan that matures in 2024/2025.

Council's asset renewal ratio, which is measured by comparing asset renewal and upgrade expenditure to depreciation, was 69 per cent, which is below the expected target band of 80-110 per cent. This renewal gap ratio improves over the four years of the 2021/22 Council Budget.

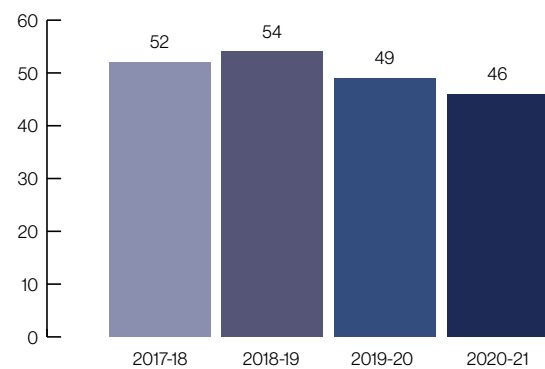
Stability And Efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Despite this, Council's rate concentration, which compares rate revenue to adjusted underlying revenue, was 46 per cent for the 2020/2021 year, which is towards the lower end of the expected target band of 40-80 per cent. This has reduced compared to the 2019/2020 result (49 per cent) due to the increased grants received by Council this financial year. The average rate per property assessment was \$1,766.92.

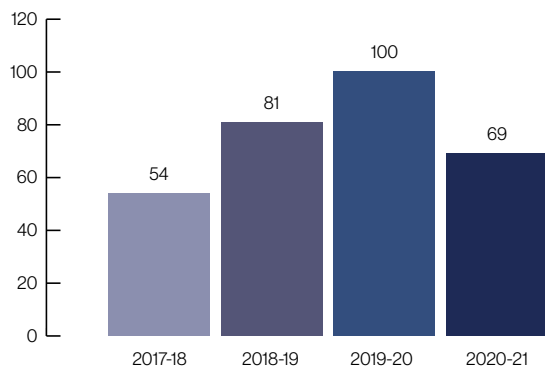
Debt Ratio (%)



Rate Concentration (%)



Asset Renewal Ratio (%)



Financial Summary

Economic Factors

Rate Capping

The Victorian Government imposed a rate cap on all Victorian councils of 2.0 per cent for the 2020/2021 year. Council did not seek a variation to the rate cap.

Labour Cost

Salary and Wage rate increases for the 2020/2021 year were as per Council Enterprise Bargaining Agreement of 1.5 per cent.

Councillor Allowances

In accordance with section 74 of Local Government Act 1989 and section 39 of the Local Government Act 2020, Councillors are entitled to receive an allowance while performing their duty as a Councillor.

Allowance levels are determined within the category ranges set by the State Government. Victorian Councils are divided into three categories, based on budget and population. Wangaratta Rural City Council is determined to be a Category 2 Council.

At the end of 2020/2021, the Mayoral allowance was \$81,204 per annum and the Councillor allowance was \$26,245 per annum (plus an amount equivalent to the superannuation guarantee of 9.5 per cent).

In the future, under the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019, Councillor allowances will be determined by Victorian Independent Remuneration Tribunal at the request of the Minister for Local Government.

The table below contains a summary of the total allowance, including the amount equivalent to the superannuation guarantee of 9.5%, paid to Councillors during the financial year.

Councillor	Allowance (\$)
Cr Harvey Benton	26,315
Cr Harry Bussell	26,315
Cr Ken Clarke OAM	6,596
Cr Mark Currie	6,596
Cr Ashlee Fitzpatrick	26,315
Cr David Fuller	26,315
Cr Irene Grant	19,719
Cr Jack Herry	19,719
Cr Dean Rees (Mayor 26 Nov 2018 - Current)	81,421
Total	239,311

Councillor Expenses

In accordance with section 75 of Local Government Act 1989 and section 40 of the Local Government Act 2020, Council is required to reimburse a Councillor for expenses incurred in the performance of his/her duties as a Councillor.

Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. Council adopted the Council Expenses Policy and Councillor Support Policy in August 2020.

The policy requires the payment of Councillor expenses to be reported quarterly to Council and the Audit and Risk Committee under the following categories:

- Travel Expenses;
- Car Mileage Expenses;
- Childcare and Carer Expenses;
- Information and Communication Technology Expenses; and
- Conference and Training Expenses.

Councillor Expenses 2020/21

All expenses are related to Councillor's roles as representatives and/or delegates of Council and have been incurred in the course of their duties as a Councillor.

Expenses	Cr Ashlee Fitzpatrick	Cr David Fuller	Cr Dean Rees	Cr Harry Bussell	Cr Harvey Benton	Cr Irene Grant	Cr Jack Herry	Cr Ken Clarke	Cr Mark Currie	Total
Accommodation & Meals	272	20	506		40	100	70			1,008
Conferences, Seminars and Training	562	66	171	272		73	400			1,544
Car Mileage Expenses			15,281	9,730	51	120				25,182
Travelling	38									38
Information and Communication Technology Expenses	216	216	216	216	216	198	162	54	54	1,548
Total	1,088	302	16,174	10,218	307	491	632	54	54	29,320

Financial Summary

Contracts

During the year, Council did not enter into any contracts valued at \$150,000 for Goods or Services, or \$200,000 or more for works or more of a kind specified in section 186(5)(a) of the Local Government Act 1989 (the Act).

Under Section 186(5)(c) of the 1989 Local Government Act, in accordance with arrangements approved by the Minister for the purposes of this subsection, Council did not enter into any contract for works of \$200,000 or more, but did extend the following two contracts for goods/services valued at \$150,000 or more:

- Recycling collection – Contract (C1415/007) extended for a further one year period to 30 June 2022
- Liability Mutual Insurance – Insurance for Public Liability and Professional Indemnity provided through MAV

Council 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.

Best Value

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

- All services must meet the quality and cost standards,
- All services provided must be responsive to the needs of its community,
- Each service must be accessible to those members of the community for who the service is intended,
- A council must achieve continuous improvement in the provision of services for its community, and
- A council must develop a program of regular consultation with its community in relation to the services it provides.

Council incorporates Best Value Principles through regular business planning and performance monitoring processes, and through a commitment to continuous improvement. A Financial Sustainability program has been launched to undertake and implement service reviews of key business areas. In addition to this, a Revenue & Rating Plan has been adopted which sets out how fees and charges will be set equitably across the range of council services. Council continues to implement the recommendations of a Business Health Check, which in the past year has included improvements in the areas of project management, Information Technology and customer service, to support its achievement of Best Value.



Our Councillors

The Councillors were elected at the 2020 General Election.

Councillor Dean Rees was elected Mayor on 24 November 2020, with Councillor Harry Bussell elected as Deputy Mayor.

Council would like to acknowledge and thank Mr Ken Clarke OAM and Mr Mark Currie for their service as Councillors from 2016 - 2020.



Mayor
Cr Dean Rees
Elected 22 October 2016
Planning
City Ward

d.rees@wangaratta.vic.gov.au
0429 623 141



Deputy Mayor
Cr Harry Bussell
Elected 22 October 2016
Tourism, Sport and Recreation
South Ward

h.bussell@wangaratta.vic.gov.au
0429 475 863



Cr Dave Fuller
Elected 22 October 2016
Arts, Culture, Events and Heritage,
Community Engagement
City Ward

d.fuller@wangaratta.vic.gov.au
0429 545 907



Cr Jack Herry
Elected 24 October 2020
Community Engagement,
Sustainability, Environment
and Resource Recovery
City Ward

j.herry@wangaratta.vic.gov.au
0400 669 615



Cr Harvey Benton
Elected 22 October 2016
Sport and Recreation,
Emergency Services, Agriculture
North Ward

h.benton@wangaratta.vic.gov.au
0429 542 928



Cr Ken Clarke OAM
Elected 22 October 2016
Retired 24 October 2020
Audit & Risk Committee
and Sport & Recreation
City Ward



Cr Ashlee Fitzpatrick
Elected 21 November 2017
Community Wellbeing, Youth,
Family, All Abilities
City Ward

a.fitzpatrick@wangaratta.vic.gov.au
0448 384 600



Cr Mark Currie
Elected 22 October 2016
Retired 24 October 2020
Audit & Risk Committee and
Economic Development
Warby Ward



Cr Irene Grant
Elected 24 October 2020
Economic Development
Warby Ward

i.grant@wangaratta.vic.gov.au
0428 189 249

Our Committees

Advisory Committees

The Council has seven established Advisory Committees, formed to provide advice to the Council within specialist areas.

The Advisory Committees for the Rural City of Wangaratta are:

- Audit and Risk Committee
- Agriculture and Agribusiness Advisory Committee
- Arts, Culture and Heritage Advisory Committee
- Economic Development and Tourism Committee
- Place Naming Committee
- Sport and Recreation Advisory Committee
- Youth Council

Community Asset Committees

The Wangaratta Rural City Council has fourteen standing Community Asset Committees.

These fourteen committees are convened to control and manage the various Council owned community facilities.

The Community Asset Committees for the Rural City of Wangaratta are:

- Bowmans-Murrungee Memorial Hall and Tennis Reserve Committee
- Carboor Soldiers Memorial Hall & Recreation Reserve Committee
- Edi Upper Hall and Recreation Reserve Committee
- Eldorado Memorial Hall committee
- Everton Hall and Sporting Complex Committee
- Milawa Hall and Park Committee
- Moyhu Soldiers Memorial Hall Committee
- Myrree Soldiers Memorial Hall Committee
- North Wangaratta Sports Reserve Committee
- Old Murrungee Hall Committee
- Oxley Shire Hall Committee
- Whitfield Recreation Reserve Committee
- Whorouly Public Hall Committee
- Whorouly Memorial Park Committee

Our People

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 Corporate Management Team (CMT) and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.



Brendan McGrath
Chief Executive Officer



Jaime Chubb
Director - Community Wellbeing

Areas of responsibility

- Arts Culture and Events
- Community and Recreation
- Marketing
- Wangaratta Sports & Aquatic Facility



Alan Clark
Director - Infrastructure Services
(Until January 2021)

Areas of responsibility

- Infrastructure Planning and Delivery
- Field Services
- Waste Management
- Emergency Management



Sarah Brindley
Director - Corporate Services

Areas of responsibility

- Digital, Customer and Transformation Services
- Finance
- People and Governance
- Media and Communication



Marcus Goonan
Director - Infrastructure Services
(From February 2021)

Areas of responsibility

- Infrastructure Planning and Delivery
- Field Services
- Waste Management
- Emergency Management

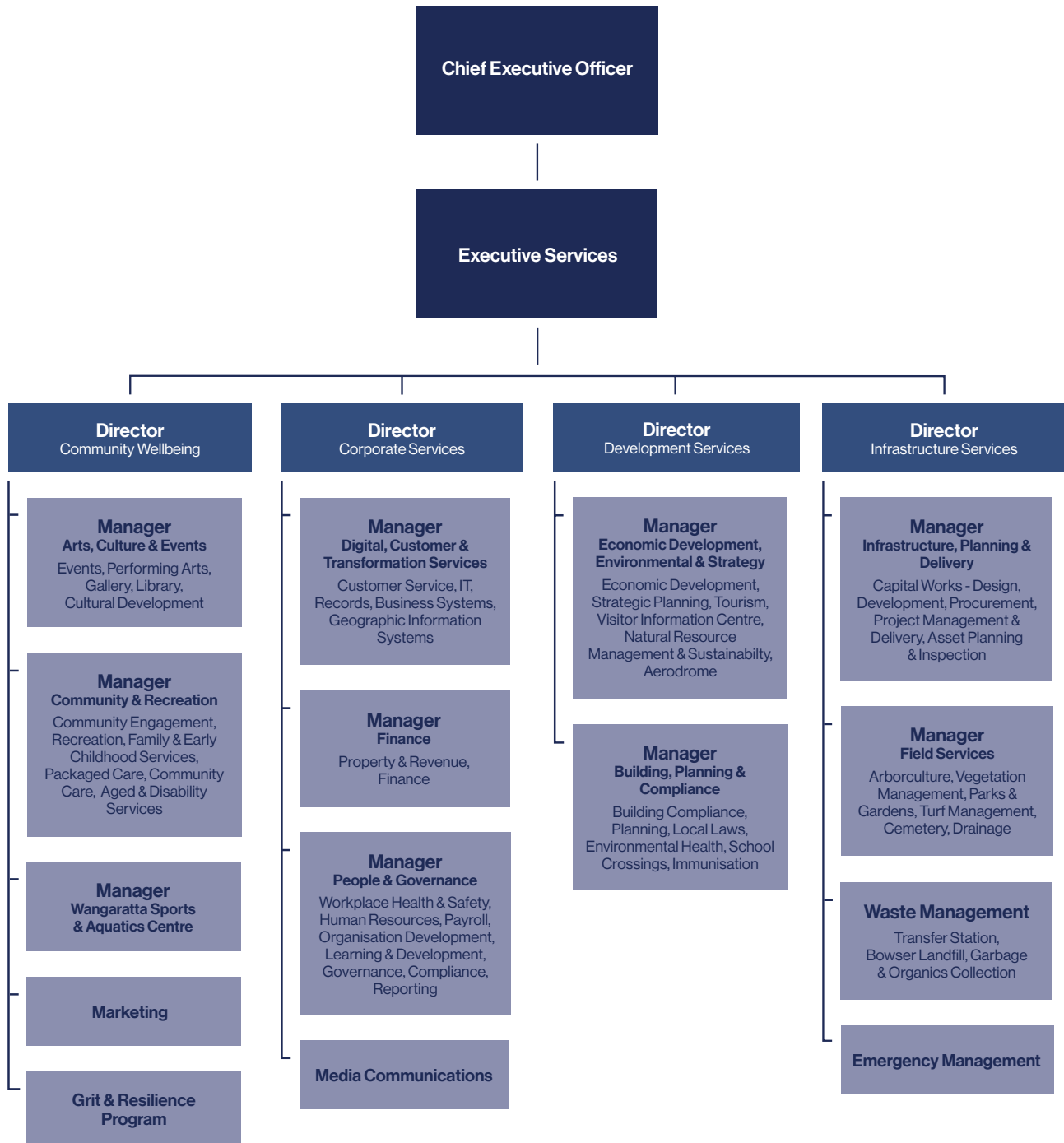


Stephen Swart
Director - Development Services

Areas of responsibility

- Economic Development, Environment and Strategy
- Building, Planning and Compliance

Organisational Structure



Report of Operations



We have a diverse role in how we support, provide for, and protect our community.

Roads, waste collection and legislation are a key foundation for us - but we also do more. Whilst we work closely with other levels of government, we are much more than an advocacy group. It is our job to understand the needs and priorities of our community and we focus on achieving them today, and for our future. The pillars are our goals. The outcomes we are working to achieve with our community.

Our strategic objectives and strategies to further improve services and facilities are described in the Council Plan 2017-21 and Annual Budget 2020-21 against 5 pillars. They are the outcomes we are working to achieve in partnership with our community.

Council is committed to transparent reporting and accountability to the community and the report of operations is the primary means of advising the community about council's operations and performance during the financial year.

Economic factors, major capital works, major changes to council operations and major achievements are summarised in the following paragraphs.

Economic factors

Despite the significant economic and social impacts on Council, businesses and individuals because of the COVID-19 pandemic, Council created opportunities for business, recreation and community connectedness through events, initiatives and funding.

Major capital works

Major projects were completed in 2020/21, most notably our Aquatics Project, which opened in December 2020, and the Wangaratta Railway Precinct Enhancement Project, completed in April 2021. These cutting-edge projects are now being enjoyed by a wide spectrum of the community, and will continue to attract more investment, events and growth in the future.

Council commenced other major projects including the Glenrowan Heritage Project, Wareena Park Masterplan and the Apex Park Regional Playspace.

Major changes

Council adapted its services in response to the COVID-19 pandemic. Among many changes, this included transitioning much of the workforce to remote working, while continuing to provide customer service during office closures. Council also provided 30 new roles for members of the community who lost their jobs through the pandemic with the State government's Working for Victoria funding program. These people have made a significant difference to our ability to complete numerous projects and implement new strategies.

Council also commenced the in-house management and operation of the Wangaratta Sports and Aquatics Centre in November 2020.

Major achievements

Council prepared a new Community Vision, Council Plan and Revenue and Rating Plan as part of council's ongoing commitment to strategic planning that supports delivery of Council services and community aspirations.

Report Structure

This report of operations covers our objectives and achievements against each of the pillars under the following headings:

Strategic objective

These are the outcomes that we hope our work will achieve over the life of the Council Plan.

Major initiatives

These are the major actions and initiatives Council wanted to implement during the year. The initiatives were budgeted for, and resources were assigned to achieve them.

Strategic Indicators and measures

These measure our progress against what is important and allow both ourselves and everyone in our community to understand the impact our actions are having. They are linked to our strategic objectives.

Service performance indicators

These measures are part of a mandatory system of performance reporting for all Victorian Councils. Council's results for these measures are also published on the Know Your Council website.

Services

This describes the teams that deliver the services that contribute to the achievement of the strategic objective under each pillar.

People and Culture

Creating a Safe Workplace

We come to work to serve our community, and so we can return home to the people we treasure. Our commitment to safety and wellbeing is practiced everyday so we go home and go home as a whole person, unharmed. In our constant drive to be safe, we involve our staff in designated work group plans and initiatives and listen closely to the feedback and ideas of our OHS Committee.

Throughout the year we have reshaped our work and workplaces to guard against the risk of the COVID19 Pandemic. Changes to how we do our work and deliver services while working from home and using new tools like online meetings have created different safety challenges. We have integrated the QR check-ins, extra cleaning, PPE, social distancing and COVID Safe Plans into our daily routines and taken the lockdowns in our stride.

Through all this we have continued to improve our risk assessment skills and practices, and increased worksite inspections where we review, coach and mentor our colleagues on identifying risk, brainstorm alternate practices or risk mitigations, and improve our documentation of our plans.

We are constantly analysing safety & wellbeing data from reported incidents, hazards and near hits as a learning tool to prevent similar events from occurring. This data allows us to target hot spots and create new ways of solving the safety challenges so we can return home, unharmed.

Gender Equity, Diversity and Inclusion

In 2020 we commenced on our journey to increase gender equity at Council and within our community. This not only aligns to our requirements under the Gender Equality Act 2020, to create and implement a Gender Equality Action Plan and undertake Gender Impact Assessments but it has been an opportunity to present information and learnings to staff and allow for open dialogue on the importance of Gender Equality. The Act aims to address key drivers of gender inequality in the workplace, requiring each organisation to plan, measure and monitor progress towards workplace gender equality with this work continuing over the next 12 months.

The Diversity and Inclusion Committee has worked with the Rural City of Wangaratta staff members to develop a list of priorities as deemed important by them. The identified groups of priorities included Unconscious Bias training, an Accessibility review of Council Buildings, Cultural Competency Training and the development of a Reconciliation Action Plan. We have submitted the list of priorities to the Senior Management Team and there has been progression with the implementation of a learning management system. Over the coming year we will see more and more initiatives being delivered to Council from the Committee.

Employment Conditions and Relationships

We commenced the management and operation of the Wangaratta Sports and Aquatics Centre in November 2020. As a result of this we negotiated and implemented an Enterprise Agreement for staff employed at this venue. We have welcomed 70 new employees as part of bringing this service inhouse.

Council was successful in securing funding through the Working for Victoria Program. This program enabled us to welcome 30 employees on a temporary basis who had lost their jobs as a result of coronavirus (COVID-19), into roles that supported our community. This project focused on new jobs that are needed to provide and support critical services across the Rural City of Wangaratta area in response to the COVID-19 crisis and provide job opportunities to support the community through this emergency and our recovery.

We also successfully implemented a Flexible Working Options Program for our employees. The implementation of this has enabled and empowered employees to make choices about when, where and how to work that best suits their needs (as appropriate). By implementing more flexibility at Council, we have in turn directly acted in line with our values of trust, respect, openness, fairness, enjoyment and excellence.

Growth and Development

We implemented an improved and streamlined annual review process through our online Employee Self Service platform. This initiative simplified the process, reduced manual documentation, increased compliance and made the goal setting, the mid-year review and end of year review process more efficient and effective.

We again conducted our annual staff engagement survey and despite the COVID19 pandemic, our engagement levels remained consistent. Each organisational unit created an action plan for implemented these actions to further improve engagement levels within their individual teams. From the survey results two working groups were established across the organisation to focus on ensuring our employees have the materials and equipment they need to do their job and to ensure our employees understand what is expected of them at work.

Our 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	Community Wellbeing	Corporate Services	Development Services	Executive Services	Infrastructure Services	Grand Total
Female	90.05	25.58	19.48	1.84	14.81	151.76
Casual	38	15	12	1	11	77
Full Time	48.57	10.46	6.79	0.84	3.75	70.41
Part Time	3.48	0.12	0.69	0	0.06	4.35
Male	13.35	13.2	15.98	1	96.9	140.43
Casual	6	12	13	1	95	127
Full Time	6.24	1.14	2.83	0	0.78	10.99
Part Time	1.11	0.06	0.15	0	1.12	2.44
Grand Total	103.4	38.78	35.46	2.84	111.71	292.19

A summary of the number of full-time equivalent staff categorised by employment classification and gender is set out below:

Employment Classification	Female	Male	Total
Band 1	1.53	0.7	2.23
Band 2		0.03	0.03
Band 3	28.84	49.17	78.01
Band 4	28.83	27.97	56.8
Band 5	30.08	20.85	50.93
Band 6	23.92	11	34.92
Band 7	19.08	19.63	38.71
Band 8	5.21	3.87	9.08
Not Applicable	14.27	7.21	21.48
Total	151.76	140.43	292.19

We are thriving

Strategic objective

As a community we have access to the services and facilities we need to keep us healthy. We can move around and be active, get medical attention and join in social, cultural and recreational activities with our friends and family.

Major initiatives

Major Initiative	Status	Comment
Wangaratta Indoor Sports and Aquatics Centre Completion	Completed	Wangaratta Indoor Sports and Aquatics Centre complete - New pools were opened on 19 December 2020.
Integration of WISAC and Parklands Precinct under Council Management	Completed	Integration completed.
Construction of a landmark Regional Play Space and Park	Ongoing	Construction has started onsite but poor weather/flooding slowed the progress. Project further delayed, expected completion October 2021.
Development of Public Health and Wellbeing Plan	Completed	<p>The development of the Public Health and Wellbeing Plan (the Plan) is complete.</p> <p>The Municipal Public Health and Wellbeing Plan has been incorporated into the Council Plan 2021- 2025 which has been adopted by Council.</p> <p>The Department of Fairness, Families and Housing (the Department) has provided an exemption for this process. Additionally, Council has fulfilled its obligations providing a copy of the Plan to the Secretary of the Department of Health.</p>
Progression of the Grit and Resilience Program	Completed	<p>The main achievements were:</p> <ul style="list-style-type: none"> • Employed 3 staff members into the program (Support Officer, Postvention Officer and Community Connector). • Signed off contract variation with Murray PHN - with the program due to conclude in June 2023. • Activated the first Grit and Resilience Heartbeat to engage Community into the • Action Plans which outline the activities that will activate the Community priorities of "Creating Connections, Including and Involving and Postvention". • Activated social media channels for the Grit and Resilience Program. • Continued engagement of First Person Consulting, with the evaluators who will sit for the life of the program with the Grit and Resilience team to understand the impact of the program on the community.
Implementation of the Waste Management Strategy (WMS)	Completed	The 2020/21 actions of the Waste Management Strategy have been completed. Recycling Victoria reforms will require a review of the Waste Management Strategy. This will be undertaken in the next 6 months.

Major Initiative	Status	Comment
Major Initiatives [continued]		
Mitchell Avenue Children's Garden Construction	Completed	Works completed.
Delivery of programs to support recovery from COVID-19 and the bushfires	Completed	<p>Business & Community Recovery Grants Program status:</p> <ul style="list-style-type: none"> • 64 Projects received funding in September 2020 to acquit by June 30, 2021. • 7 projects remain outstanding – with officers following up. • 2 projects did not go ahead – forfeited funding • 9 projects have been acquitted but not endorsed (more information required) • 35 projects have been acquitted successfully (reviewed and endorsed). • 8 projects applied for and received time extensions until August 30th. • 3 acquittals are currently being reviewed by officers..

Report of Operations

Strategic Indicators and measures

Strategic indicator or measure	Target	Result
Percentage of children enrolled to participate in the Maternal and Child Health Service	85%	99.67%
Cost of the Maternal and Child Health service per hour of service delivered	\$75.15	\$69.86
Percentage of children receiving immunisation in accordance with the Victorian Immunisation Schedule	95%	98%
Number of Home Care clients	1,400	878*
Number of visits to aquatic facilities per head of population	5	9.18
Council performance on recreational facilities measured by the community satisfaction survey	73	76
Percentage of Class 1 and 2 food premises that receive an annual food safety assessment	90%	104.93%

* Reporting against this target was amended during the year to only include the number of active clients. The original target included the number of services accessed across all clients, where some clients were receiving several services. Future targets for this measure will be updated to align to LGPRF reporting requirements.

Service performance indicators

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Aquatic Facilities					
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.00	0.50	0.00	1.00	An inspection at each aquatic facility was completed by an authorised internal Environmental Health Officer.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.73	4.63	9.81	9.18	COVID-19 restrictions resulted in the closure of the indoor facility for significant periods throughout 2020-21. However, utilisation remained consistent with prior year results.
Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	New in 2020	\$1.47	\$5.55	
Food Safety					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	3.00	7.14	4.50	2.28	Improvements in administration has resulted in a reduction to response times.
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	70.67%	100.00%	101.52%	104.93%	Effective resourcing of our inspection effort has enabled all required food safety inspections to be completed. More inspections were undertaken in 2020-21 than required due to registration transfers.
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]	\$548.12	\$215.32	\$280.70	\$336.54	A change to service delivery through the use of a contractor has resulted in a more precise calculation of service provision contributing to the overall reduction in the cost to perform food the food safety services.

Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Food Safety [continued]					
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	54.55%	68.18%	78.57%	100%	As COVID-19 restrictions resulted in the closure of a substantial number of food premises, a reduced number of critical non-compliance outcome notifications and major non-compliance notifications were issued, enabling Council to follow up all notifications.
Maternal and Child Health					
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	95.42%	101.40%	100.35%	99.67%	During the year almost all of the eligible families enrolled in the service, which is focused on ensuring healthy outcomes for children. Development and growth assessments, along with health education, are some of the key features of the service.
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$68.31	\$75.15	\$60.82	\$69.86	The 15% increase in costs from last year are due to staffing levels increasing to fill vacant positions and to provide for casual staff to cover annual leave, long service leave and sick leave.
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	79.51%	73.97%	80.62%	84.74%	The result is consistent with results achieved for the previous two financial years.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Maternal and Child Health [continued]					
Participation Participation in the MCH service by Aboriginal children <small>[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</small>	68.29%	75.00%	85.05%	90.38%	47 out of a total of 52 Aboriginal children used the service at least once during the year.
Satisfaction Participation in 4-week Key Age and Stage visits <small>[Number of 4-week key age and stage visits / Number of births notifications received] x 100</small>	New in 2020	New in 2020	102.45%	98.01%	296 infants have participated in key age and stage visits from 302 birth notifications received.

Services

Service	Description
Aged & Community Care	Provides a range of services for the aged and disabled including home delivered meals, personal care, transport, dementia care and home maintenance and packaged care.
Community Compliance	Protects the community's health and well-being by coordinating food safety support and immunisation programs, septic tanks and Tobacco Act activities. The service also works to rectify any public health concerns relating to disease outbreaks, unreasonable emissions, accommodation standards and food premises inspections.
Family & Early Childhood Services	Provides family-oriented support services including pre- schools, maternal and child health, childcare and family day care.
Projects & Recreation	Prepares policies and strategies relating to open space and recreation throughout the municipality. It provides an extensive range of recreational programs and opportunities accessible to individuals of all ages and abilities. It also supports community projects and programs and swimming pool facilities.

We are growing

Strategic objective

Our economy and community are growing because we offer exciting opportunities and potential. We have a strong economic development strategy and continue to attract new businesses, residents and visitors to the region.

Major initiatives

Major Initiative	Status	Comment
Launch of large-scale marketing promotion and awareness campaign	Nearing completion	Whilst significant elements of the major marketing campaign were able to be achieved throughout the course of the year, the COVID-19 pandemic and associated state and national lockdowns and restrictions impacted that ability to fully maximise marketing material. Campaign timelines and mediums were adapted to reflect the situation and ensure realistic impact was balanced against financial cost. Likely return on investment was always a significant factor in the decision making regarding delivery of campaigns. Held over elements of the marketing campaigns will continue to be delivered appropriately in coming years.
Wangaratta Aerodrome Infrastructure Development	Nearing completion	Project was due to be completed June 2020 however due to the impacts of wet weather and supply issues due to Covid-19, the Fire Services infrastructure delivery was delayed and is now set to be completed September 2021. This infrastructure is the final part of the project and needs to be completed in full to obtain the Certificate of Occupancy enabling the project to be closed off and completed.
Implementation of Economic Development and Tourism Strategy	Completed	FY20/21 program completed: <ul style="list-style-type: none"> CUC Ovens Murray RUC grant funding announced - Board has been created to get Project underway. Working with businesses to develop a Wangaratta Homemakers Collective which will provide a loyalty card program with discounts for locals buying from local homemaker businesses (paint, furniture, BBQ etc). Ned Kelly Glenrowan Project - Design, interpretation and landscaping concept drawings completed. Heritage Victoria permit lodged. Drought Funding - GMW have approved Bore Points, tender awards works to start July/August. Adverse Event Plan nearing completion & Eldorado streetscaping design completed and going to tender. King Valley Visitor Enhancement Development Plan completed and grant priorities finalised.
Continue Business Development and Support Programs	Completed	Continued to work with Australian Small Business Advisory Services, Small Business Victoria and Tourism North East to provide a range of workshops to assist businesses.

Major Initiative	Status	Comment
Major Initiatives [continued]		
Moyhu Township Development Program	Underway	The Moyhu Township Development Program research and development of draft strategy is underway - it is expected that community consultation will take place in the first half of FY21/22.
Progress the development of Ovens College Site	Ongoing	Continued to work with Homes for Victoria on opportunity for the site - Has been noted as the preferred site in Wangaratta.
Participation in Tourism North East (TNE) programs	Completed	All projects for FY20/21 completed or rolled over. Marketing campaign for walk moved due to COVID-19 impacting on Walk High Country Event which was cancelled - looking to do in November 2021.
Implementation of Visitor Services Strategy (VSS)	Completed	The Visitor Services Strategy was completed and adopted at the June 2021 Council meeting. FY21/22 will see the actions from the Strategy starting to be implemented.

Report of Operations

Strategic Indicators and measures

Strategic indicator or measure	Target	Result
Percentage of planning application decisions made within required timeframes	82%	80%
Median number of processing days taken between receipt of planning application and a decision	55	47
Council performance on planning and building permits (Community Satisfaction Survey)	57	54
Number of new housing lots released in municipality	150	166
Number of building permits for new dwellings issued within municipality	150	211
Council performance on business, community development and tourism (Community Satisfaction Survey)	61	65
Percentage change in Followers of Visit Wangaratta Facebook and Instagram pages	8% increase on 2019-20	13% increase on 2019-20
Number of cattle throughput at the Wangaratta Livestock Exchange ¹	38,000	25,000
Wangaratta Livestock Exchange Year 2 full-year financial position	\$47,000	\$52,647
Percentage change in Cycle Tourism along Rail Trail	5% increase on 2019/2020 Rail Trail usage	-14.7%

Service performance indicators

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Statutory Planning					
<i>Timeliness</i> Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	59.00	53.00	46.00	47.00	Council continues to see a reduction in the time taken to make decisions as we complete the process of implementing improvements from the planning services review.
<i>Service standard</i> 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	80.75%	82.49%	82.03%	80.26%	Sustained results above 80% are due to continued processing of a high number of regular planning applications within 60 days.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Statutory Planning [continued]					
<i>Service cost</i> Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,432.42	\$2,412.42	\$2,271.96	\$1,826.91	Improvements in work practices have created efficiencies resulting in a reduction to the cost to provide statutory planning services.
<i>Decision making</i> 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	0.00%	66.67%	83.33%	33.33%	Council had 3 planning application decisions referred to VCAT, of which, VCAT set aside 2 decisions.

Services

Service	Description
Economic Development	Assists the organisation to facilitate an environment that is conducive to a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access employment.
Planning and Building	The Planning service (including statutory planning) processes all 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 as well as preparing major policy documents shaping the future of the City. It also prepares and processes amendments to the Council Planning Scheme and carries out research on demographic, urban development, economic and social issues affecting Council. The Building service provides statutory building services to the community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.
Tourism	Provides support to tourism operators through industry activities, grants and the Visitor Information Centre. This service provides information and advice to prospective Tourism Businesses.

¹ Wangaratta Livestock Exchange is operating as an independent company, wholly owned by the Rural City of Wangaratta.



We are established

Strategic objective

Our community has developed to make sure that we can connect and interact with each other - by our road network and pathways, in accessible community spaces that provide activity and purpose, through effective telecommunications networks and within community facilities that are well maintained and activated.

Major initiatives

Major Initiative	Status	Comment
Railway Precinct Redevelopment	Completed	Works completed
Opening of upgraded Barr 2 Oval	Completed	Works completed
Delivery of our asset renewal program 2019-20	Completed	All renewal projects were completed.
Implementation of Rural Placemaking Projects as identified within district plans	Ongoing	The Milawa Infrastructure works are 90% complete. The design for the Everton Infrastructure works is complete, pending further community engagement which will be completed when COVID-19 restrictions allow.
Annual Gravel Re-sheeting and Resealing Program	Completed	Reseal works are complete. Rose River works completed. 39kms in total completed.
Cusack and Spearing Street Drainage and Car Parking Renewal	Completed	Works complete.
Continued implementation of Council's Asset Data, Condition and Renewal Policy	Completed	All asset data for this financial year has been collected.

Report of Operations

Strategic Indicators and measures

Strategic indicator or measure	Target	Result
Council performance on the condition of local streets and footpaths in your area (Community Satisfaction Survey)	59	61
Community satisfaction with sealed roads (Community Satisfaction Survey)	58	64
Council performance on the maintenance of unsealed roads in your area (Community Satisfaction Survey)	52	52
Council overall performance (Community Satisfaction Survey)	60	66
Value of infrastructure per head of municipal population	\$18,000	\$18,226

Service performance indicators

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Roads					
<i>Satisfaction of use</i> Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	33.72	28.51	28.00	66.71	Improved recording of sealed local road requests in the customer request system resulted in a 38 request increase per kilometre of sealed local roads over the 2020 result.
<i>Condition</i> 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	98.70%	98.84%	97.42%	97.26%	Sealed local roads continue to be maintained to a high standard.
<i>Service cost</i> Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$87.53	\$91.26	\$0.00	\$63.25	Cusack and Spearing Street reconstruction stages 1 & 2 were completed during 2020-21 at an acceptable cost.
<i>Service Cost</i> Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$0.00	\$3.51	\$4.78	\$4.86	Costs are consistent with last year as a result of maintaining a shared service contractual arrangement with other councils.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Roads [continued]					
<i>Satisfaction</i> Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	56.00	57.00	57.00	64.00	Community Satisfaction Survey reports Council's sealed roads performance is significantly higher by widest margin compared to state wide average and group average (Regional Centres).

Services

Service	Description
Asset Planning	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 municipal buildings, pavilions, and other community buildings.
Emergency Management	Designs and implements the emergency management plans for Council and coordinates activities and provides support during emergency events.
Engineering Services	Provides strategic planning, policy development and day-to-day management of traffic, infrastructure, assets, transport, drainage and design issues in Council.
Field Services	Provides road and bridge maintenance, street and footpath cleaning, drainage maintenance, walking/ cycling path maintenance and routine bridge maintenance. Also, maintenance and planning for renewal and upgrades to Council's sports grounds. This service provides tree pruning, planting, removal, planning and street tree strategies, management of all parks and gardens and infrastructure maintenance, conservation of parkland areas, creeks and other areas of environmental significance. It also provides street cleaning, leaf collection, weed removal, drain pit cleaning and street litter bins throughout the municipality.
Project Management	Undertakes the design, tendering, contract management and supervision of Council's capital works program.

We are inspired

Strategic objective

As a community we have opportunities for everyone to embrace the arts, to attend vibrant and exciting events, and to experience a community that is creative and evolving. It is easy for everyone to volunteer, to talk about the things that matter, to be involved and understand the way decisions are made, and to celebrate our stories and heritage.

Major initiatives

Major initiative	Status	Comment
Support for 30th Wangaratta Festival of Jazz and Blues	Completed	Due to COVID-19 restrictions the 30th Wangaratta Festival of Jazz and Blues was held online.
Roll out of upgraded Events Procedures and workshops	Completed	Workshops will be ongoing as the need arises.
Wangaratta Parklands Precinct and Wareena Park Masterplans	Completed	Both Masterplans have been adopted, with design underway for the next projects..
Implementation of enabling frameworks for project management and employee collaboration	Completed	Project Management Framework (PMF) was deployed in July 2020, all Council capital projects and a large number of operational projects are using the PMF. All 2021-22 projects, both Capital and Operational are being submitted through the PMF. Training has been delivered to approx. 100 staff.
Decommission and consult on future use of former Olympic Pool Site	Nearing completion	Poor weather/flooding has stopped the last stage of this project. Expected completion September 2021.



Report of Operations

Strategic Indicators and measures

Strategic indicator or measure	Target	Result
Council performance on consultation and engagement (Community Satisfaction Survey)	56	56
Council performance in making decisions in the interest of the community (Community Satisfaction Survey)	52	56
Council performance on informing the community (Community Satisfaction Survey)	63	61
Council performance on community and cultural activities (Community Satisfaction Survey)	70	67
Percentage of municipal population that are active library users	17%	12%
Number of events held at the Wangaratta Library (excluding regular programs)	20	32
Number of tickets sold through the Wangaratta Performing Arts and Convention Centre	15,00	7,041
Number of conferences and conventions at the Performing Arts and Convention Centre	100	74
Number of attendees at the Wangaratta Art Gallery	30,000	17,790
Number of events held at the Wangaratta Art Gallery	20	31
Average number of days to close a customer request	14	5
Percentage of customer requests overdue by more than 60 days	10%	6%

Service performance indicators

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Libraries					
<i>Utilisation</i> Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	2.97	2.81	2.70	2.26	There were 43,894 printed items, audio-visual and digital materials, and toys and games available in the library during the year, and 99,295 loans made. This is 28,710 less loans, or 16 per cent utilisation decrease compared to last year. The library was closed for 11 weeks from 6 August 2020 to 20 October 2020 during which click and collect and Library@Home services were provided.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Libraries [continued]					
<i>Resource standard</i> Recently purchased library collection <small>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</small>	45.75%	70.39%	58.65%	62.55%	Additional funding was allocated during the year to improve the standard of the collection.
<i>Participation</i> Active library borrowers in municipality <small>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</small>	14.84%	13.87%	13.64%	11.74%	As a result of COVID-19 restrictions the Wangaratta Library was closed for 11 weeks (6 August to 20 October 2020) which impacted the number of active library borrowers. A Click and Collect and Library @Home service was provided, accounting for some active users.
<i>Service cost</i> Cost of library service per population <small>[Direct cost of the library service / Population]</small>	\$18.10	\$21.27	\$25.71	\$24.38	The 5% decrease in cost is attributed to staff changes, reduced staff hours during lockdown and lower expenditure for materials and services.

Services

Service	Description
Attractions & Events	Provides events for the municipality and cultural development.
Customer Service	Provides services to the community to facilitate the processing of enquiries, payments and bookings.
Information Management	Information Management delivers records management and Geospatial Information Systems (GIS) enabling us to deliver services in a smart, productive and efficient way. Customer Service is also delivered.
Media and Communications	Provides information to the community on Council activities and achievements through a variety of medians – Facebook Instagram, etc.
Wangaratta Art Gallery	Provides a varied program of arts and cultural events and activities. It also plans and develops arts and cultural facilities and infrastructure and develops policies and strategies to facilitate art practice.
Wangaratta Library	Provides a public library with customer focused service that caters for the cultural and educational needs of residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.
Wangaratta Performing Arts and Convention Centre	Provides theatre services including technical staging advice and performance operations, facilities for presentations including events for children, families and older people and exhibitions of works by local artists, function and catering services including seminars, meetings, conferences, expos and a café.
Youth Services	Provides youth development programs and supports youth health wellbeing.

We are sustainable

Strategic objective

To ensure our long-term viability and capacity to deliver quality services and infrastructure, we continue to meet the changing and complex challenges that face us. We focus on how we can do things better, improve our environmental and economic impact, and create lasting benefits for our community and future generations.

Major initiatives

Major initiative	Status	Comment
Organics Processing in full operation	Completed	Organics facility commissioning finalised and license issued by EPA. Now accepting all of Council organic wastes. Planning commenced to start expansion so material can be accepted from other Councils in the Region.
Environmental Sustainability Strategy 2020-25 Action Plan	Completed	ESS and Action plan has been completed and adopted at the June Council meeting - FY21/22 will see the start of working through the action plans.
Ongoing reform of Council's Planning Services	Completed	2020/21 actions have been completed including a number of quick wins such as: a review of redundant Intrapap layers; starting development of a planning compliance policy document; and, a review of standard letters and templates to make them more user friendly. We have also digitised our subdivision files and hosted our first virtual roundtable for all planners in the North East.
Street tree infill and renewal program	Completed	Program has been completed for 2020/21.
Deliver our roadside weed and pest management programs	Ongoing	Program and funding completed for FY20/21 and have been notified that State Government Grant funding has been confirmed for FY21/22.
Customer Experience Strategy Implementation	Completed	The Customer Experience Strategy deployment is on track. The embedding program is underway across the organisation. The second round of Customer Experience training has been delivered. A train the trainer session is scheduled to assist Customer Service Officers with skills for the embedding program.

Major initiative	Status	Comment
Major Initiatives [continued]		
ICT Strategy Implementation	Completed	Completed projects in 2020-21 include: (1) TEAMS Telephony, (2) SIP migration to support new telephony system, (3) End User Hardware Refresh, (4) Microsoft Office 365 Cybersecurity and Device Management, (5) Microsoft Power Platform (project selection tool, RPM365, corporate calendar), (6) IT Infrastructure Network upgrade, (7) WAN upgrade, (8) Firewall upgrade and (9) ICT Governance Framework.
Facilitation of the 2020 Local Government Elections	Completed	Facilitation of the 2020 Local Government Elections was completed.
Commence implementation of the new Local Government Act 2020	Completed	Implementation of the new Local Government Act 2020 requirements is underway. All deliverables for FY20-21 completed. Revenue & Rating, Budget, Council Plan and Community Vision complete. Long Term Financial Plan (LTFP) in community engagement. Annual Report on track and Workforce Plan is under way.

Report of Operations

Strategic Indicators and measures

Strategic indicator or measure	Target	Result
Percentage of kerbside collection waste diverted from landfill	61%	60%
Council performance on waste management (Community Satisfaction Survey)	70	78
Percentage change in emissions from Council owned buildings, street lighting and fuel/vehicle use	3% decrease on 2019/20 emissions	-2.91%
Council performance on environmental sustainability (Community Satisfaction Survey)	68	64
Percentage of Council decisions made at meetings closed to the public	4%	0.66%
Cost of animal management services per registered animal	\$89.00	\$79.32
Council performance on lobbying on behalf of the community (Community Satisfaction Survey)	55	59
Number of native plants planted in the Municipality as part of the Greening Wangaratta Program	5,004	6,500

Service performance indicators

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Animal Management					
<i>Timeliness</i> Time taken to action animal management requests <small>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</small>	24.00	11.98	4.63	1.43	Having a full complement of animal management staff has improved response times to customer requests.
<i>Service standard</i> Animals reclaimed <small>[Number of animals reclaimed / Number of animals collected] x100</small>	61.96%	55.49%	55.38%	46.27%	There has been an increase in the number of stray (unregistered and non-feral) animals being brought in by the public. As the animals are stray, owners are unable to be identified and therefore there has been a subsequent reduction in animals being reclaimed.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Animal Management [continued]					
<i>Service standard</i> Animals rehomed [Number of animals rehomed / Number of animals collected] x100	New in 2020	New in 2020	108.23%	94.11%	Sustained high animal adoption rates are a large contributor to the on-going high rate of animals being rehomed.
<i>Service cost</i> Cost of animal management service per population [Direct cost of the animal management service / Population]	\$21.19	\$16.26	\$16.83	\$15.72	The result is consistent with results achieved for the previous two financial years.
<i>Health and safety</i> Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	0.00%	0.00%	There were no animal management prosecutions in 2020-21.
Governance					
<i>Transparency</i> 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	3.83%	4.69%	3.48%	0.66%	During the 25 August 2020 Ordinary Council meeting the Council resolved to close the meeting to the public as per with section 66(2) of the Local Government Act 2020 to consider item - CEO Performance Review and Key Performance Indicators. This was the only item and subsequent decision made at a meeting closed to the public during 2020-21.
<i>Consultation and engagement</i> Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	56.00	53.00	55.00	56.00	Council has undertaken significant community consultation and deliberative engagement in the past financial year in particular for the development of the new Community Vision 2033 and Council Plan 2021-25.

Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Animal Management					
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	97.28%	98.10%	97.96%	96.94%	All seven Councillors attended every Ordinary and Special Council meeting during 2020-21 with the exception of the 28 July 2020 Ordinary Council meeting - six Councillors in attendance and the 5 October 2020 Special Council meeting - five Councillors in attendance.
Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election.	\$43,511.43	\$45,025.00	\$44,221.14	\$38,376.00	As a result of the general elections occurring during this financial year with an Election Period (aka Caretaker Period) 32 days taking place, in conjunction with COVID-19 restrictions, this has resulted in a reduction of costs relating to councillor expenditure.
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	52.00	56.00	The continued improved results reflect improvements in the way decisions are made and in particular how the community is consulted and engaged in the decision-making process.
Waste Collection					
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	56.63	68.40	156.47	167.59	Since the December 2019 introduction of the green organics bin service in 4 rural townships, there has been a sustained increase in the number of bin requests received.
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	6.40	4.11	6.92	4.75	Council introduced a new missed bin customer request classification category which has ensured the reason the bin was missed is appropriately allocated and has subsequently reduced the amount of missed bins whereby the service provider is at fault.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2018	2019	2020	2021	
Animal Management					
<i>Service cost</i> Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$116.49	\$122.02	\$120.19	\$86.95	Plant hire charges are split 50/50 with organics, resulting in a reduction in kerbside collection service costs.
<i>Service cost</i> Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$46.65	\$65.28	\$65.57	\$91.57	Processing costs for recycling have significantly increased since the previous financial year as a result of the recycling market crash due to the China Sword policy.
<i>Waste diversion</i> 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	60.66%	60.10%	61.83%	60.45%	Council's diversion of waste from landfill to productive uses is consistent with the last 3 financial years reflecting a successful organics program.

Services

Service	Description
Community Compliance	Provides staff at school crossings throughout the municipality. It maintains and improves the health and safety of people and animals by providing animal management services including a pound, registration, and administration, after hours service and an emergency service. It also provides education, regulation and enforcement of Local Laws including parking and other compliance activities and relevant State legislation. Management of the Aerodrome is coordinated through this service.
Environmental Services	Develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance. Reducing greenhouse gas emissions within Council operations and the community are a key priority for Council.
Finance	Provides financial services to both internal and external customers including the management of Council's finances, payment of suppliers, raising and collection of rates and charges and valuation of properties throughout the municipality.
People & Governance	Designs and implements relevant frameworks to deliver people & culture, occupational health & safety, risk and governance services in a compliant manner. Provides strategic and governance support to the organisation for business planning and reporting and strategic risk management. Administers payment of salaries and wages.
IT Systems	Provides, supports and maintains reliable and cost-effective information and computing systems, facilities and infrastructure.
Waste	Provides kerbside collections of garbage, recyclables, and organics.

Statutory Information

Best Value

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

- All services must meet the quality and cost standards,
- All services provided must be responsive to the needs of its community,
- Each service must be accessible to those members of the community for who the service is intended,
- A council must achieve continuous improvement in the provision of services for its community, and
- A council must develop a program of regular consultation with its community in relation to the services it provides.

Council incorporates Best Value Principles through regular business planning and performance monitoring processes, and through a commitment to continuous improvement. A Financial Sustainability program has been launched to undertake and implement service reviews of key business areas. In addition to this, a Revenue & Rating Plan has been adopted which sets out how fees and charges will be set equitably across the range of council services. Council continues to implement the recommendations of a Business Health Check, which in the past year has included improvements in the areas of project management, Information Technology and customer service, to support its achievement of Best Value.

Contracts

During the year, Council did not enter into any contracts valued at \$150,000 for Goods or Services, or \$200,000 or more for works or more of a kind specified in section 186(5)(a) of the Local Government Act 1989 (the Act).

Under Section 186(5)(c) of the 1989 Local Government Act, in accordance with arrangements approved by the Minister for the purposes of this subsection, Council did not enter into any contract for works of \$200,000 or more, but did extend the following two contracts for goods/services valued at \$150,000 or more:

Recycling collection - Contract (C1415/007) extended for a further one year period to 30 June 2022

Liability Mutual Insurance - Insurance for Public Liability and Professional Indemnity provided through MAV

Council 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

Carers Recognition Act

In accordance with section 11 of the Carers Recognition Act 2012, Council is required to report annually on its fulfilment of the obligations in section 11. Council reports that it has:

- taken all practicable measures to ensure that its employees and agents have an awareness and understanding of the care relationship principles;
- taken all practicable measures to ensure that persons who are in care relationships and who are receiving services in relation to the care relationship from the care support organisation have an awareness and understanding of the care relationship principles;
- employees and agents reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships.

These measures include ensuring that:

- Information about advocacy services is provided with contact details of specific agencies.
- All service provision staff, including community care workers are advised of how to identify carer stress or any triggers within the household, and report back to the team for further actioning if required.
- All policies and procedures are reviewed and updated as needed and within the required review cycle.
- Home Care Package case managers/providers are also aware within their training and supports, the importance of being aware, identifying and providing supports for carers.
- All information is provided verbally and/or in written form.
- Local agencies such as networks, carer support groups, local health services, etc, provide carers information regarding services, new/extra funding, seminars/workshops, and this is disseminated to RCoW clients in the monthly newsletter.

Disability Act

In accordance with section 38 of the Disability Act 2006, Council provides this report of its implementation of its Disability Action Plan, known as the Community Access and Inclusion Action Plan. Pursuant to the plan Council has:

- Convened monthly meetings of the Accessibility Reference Group where possible around covid restrictions;
- Hosted an online event in December 2021 for the International Day for People with Disability with guest speaker Oliver Hunter;
- Undertaken further Key Word Sign Training;
- Used Council's online presence to increase awareness and understanding of disability and the barriers Coronavirus has created;
- Promoted the use of Council's Community Resource Kit;
- Hosted Accessible Drumming sessions with approximately 20 community members attending per session, with five sessions completed. Covid restrictions limited our ability to run these, with future sessions to be held when covid restrictions are eased;
- Embedded access and inclusion considerations in council policies, strategies and infrastructure projects; and,
- Utilised innovative options, online resources and social networking to enable people to attend meetings due to disability, transport or distance and restrictions.

Domestic Animal Act

In accordance with section 68A of the Domestic Animals Act 1994, Council has a Domestic Animal Management Plan and reports the following evaluation of its implementation.

- 1. Continuing to be proactive in following up registrations and update the database. This has resulted in identifying animals that have left the municipality or passed away as well as infringements being issued for non-registration.
- 2. Door knocking to check returned mail for animal renewals. This has assisted in verifying registration renewals and infringement letters. Community knowledge of this activity will reduce the incidence of animal owners not registering their animals.
- 3. Trial of new technology for dog barking issues. This assists in corroborating barking events and enables dog owners to recognise whether their dog is responsible for the excess barking.

Protected Disclosures Act

Council's Public Interest Disclosure policy with information for the public about how to make a disclosure, in accordance with the Public Interest Disclosure Act, can be found on council's website in the 'Your Council - Policies' section.

In the past financial year Council has not received any public interest disclosure complaints.

Freedom of Information Act

Information about the functions of Council and information available is found on its website at www.wangaratta.vic.gov.au and information about how to access Council documents is found on council's website in the 'Your Council - Freedom of Information' section.

Food Act Ministerial Directions

In accordance with section 7E of the Food Act 1984, Council is required to publish a copy of any Ministerial Directions received during the financial year in its annual report.

No such Ministerial Directions were received by Council during the year.

Road Management Act Ministerial Directions

In accordance with section 22 of the Road Management Act 2004, Council is required to publish a copy, or 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 year.

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 under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date of adoption: 15 December 2020
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines in operation Date of operation of current guidelines: 15 December 2020
3. Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	No plan Draft Financial Plan was presented to Council at the Ordinary Council meeting on 24 August 2021. Draft Financial Plan currently out on Public Consultation. Financial Plan scheduled to be presented in final state at the Ordinary Council meeting on 26 October 2021 for consideration and subsequent adoption.
4. Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	No plan Singular Asset Plan per section 92 of Act to be prepared and adopted within required timeline (June 2022). Existing individual Asset Management Plans have been prepared and adopted as follows: * Road Asset Management Plan - 30 September 2019 * Drainage Asset Management Plan - 30 September 2019 * Bridge Asset Management Plan - 30 September 2019
5. Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 94 of the Act Date of adoption: 27 April 2021
6. Annual Budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date of adoption: 26 June 2021
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of operation of current policy: 25 February 2020
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of operation of current policy: 20 August 2019

Governance and Management Items	Assessment
9. Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	<p>No plan</p> <p>Due to section 82 of Emergency Management Legislation Amendment Act 2018 repealing the legislative backing for the existing Municipal Emergency Management Planning Committees (MEMPC) as detailed in the Emergency Management Act 1986, a resolution of Council at Ordinary Council meeting on 15 December 2020 authorised:</p> <ol style="list-style-type: none"> 1. Disestablish the existing Municipal Emergency Management Planning Committee (MEMPC) which was established under s21(3)-(5) of the Emergency Management Act 1986; and 2. Authorise the CEO to establish the MEMPC in accordance with the provisions of s68 of the Emergency Management Legislation Amendment Act 2018. <p>The newly established MEMPC reports to the Hume Regional Emergency Management Planning Committee, not Council and they prepare and maintain the Municipal Emergency Management Plan.</p>
10. Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	<p>Adopted in accordance with section 108 of the Act</p> <p>Date of adoption:</p> <p>25 May 2021</p>
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)	<p>Current plan in operation</p> <p>Date of operation of current plan:</p> <p>16 September 2014</p>
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)	<p>Current plan in operation</p> <p>Date of operation of current plan:</p> <p>16 December 2018</p>
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	<p>Current framework in operation</p> <p>Date of operation of current framework:</p> <p>22 April 2020</p>
14. Audit and risk Committee (advisory committee of Council under section 53 and 54 of the Act)	<p>Established in accordance with section 53 of the Act</p> <p>Date of establishment:</p> <p>25 August 2020</p>
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)	<p>Internal auditor engaged</p> <p>Date of engagement of current provider:</p> <p>20 January 2020</p>
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)	<p>Current framework in operation</p> <p>Date of operation of current framework:</p> <p>26 June 2021</p>

Governance and Management Items	Assessment
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)	Current report Date of report: 23 February 2021
18. Financial reporting (quarterly statements to the Council under section 138(1) of the Local Government Act 1989, comparing actual and budgeted results and an explanation of any material variations)	Statements presented to the Council in accordance with section 138(1) of the Local Government Act 1989 Dates statements presented: Quarterly Statement No. 1 20 October 2020; Quarterly Statement No. 2 27 January 2021; Quarterly Statement No. 3 27 April 2021
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented Date of reports: Six-monthly Report No. 1 - 16 December 2020; Six-monthly Report No. 2 - 1 June 2021
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 prepared and presented Date of reports: Six-monthly Report No. 1 - 25 August 2020; Six-monthly Report No. 2 - 23 February 2021
21. Annual report (annual report under sections 131, 132 and 133 of the Local Government Act 1989 containing a report of operations and audited financial and performance statements)	Considered at meeting of the Council in accordance with section 134 of the Act Date of consideration: 20 October 2020
22. Councillor Code of Conduct (Code setting out standards of conduct to be followed by Councillors and other matters)	Reviewed in accordance with section 139 of the Act Date reviewed: 23 February 2021
23. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review: Instrument of delegation from Council to members of Council staff 23 March 2021 and Instrument of delegation from Council to the CEO 27 April 2021
24. Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 23 March 2021

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



Sarah Brindley
Acting Chief Executive Officer

Date: 28/09/2021



Cr Dean Rees
Mayor

Date: 28/09/2021

Development Contribution Plans

Total DCP levies received in 2020-21 financial year

DCP name and year approved	Levies received in 2019-20 financial year (\$)
Wangaratta North West Development Contribution Plan (2018)	0.00
Wangaratta South Development Contrubution Plan (2018)	0.00
Total	0.00

DCP land, works, services or facilities accepted as works-in-kind in 2020-21 financial year

DCP name and year approved	Project ID	Project description	Item purpose	Project value (\$)
Wangaratta North West Development Contribution Plan, (2018)	Nil 2020/2021	N/A	N/A	0.00
Wangaratta South Development Contrubution Plan (2018)	Nil 2020/2021	N/A	N/A	0.00
Total				0.00

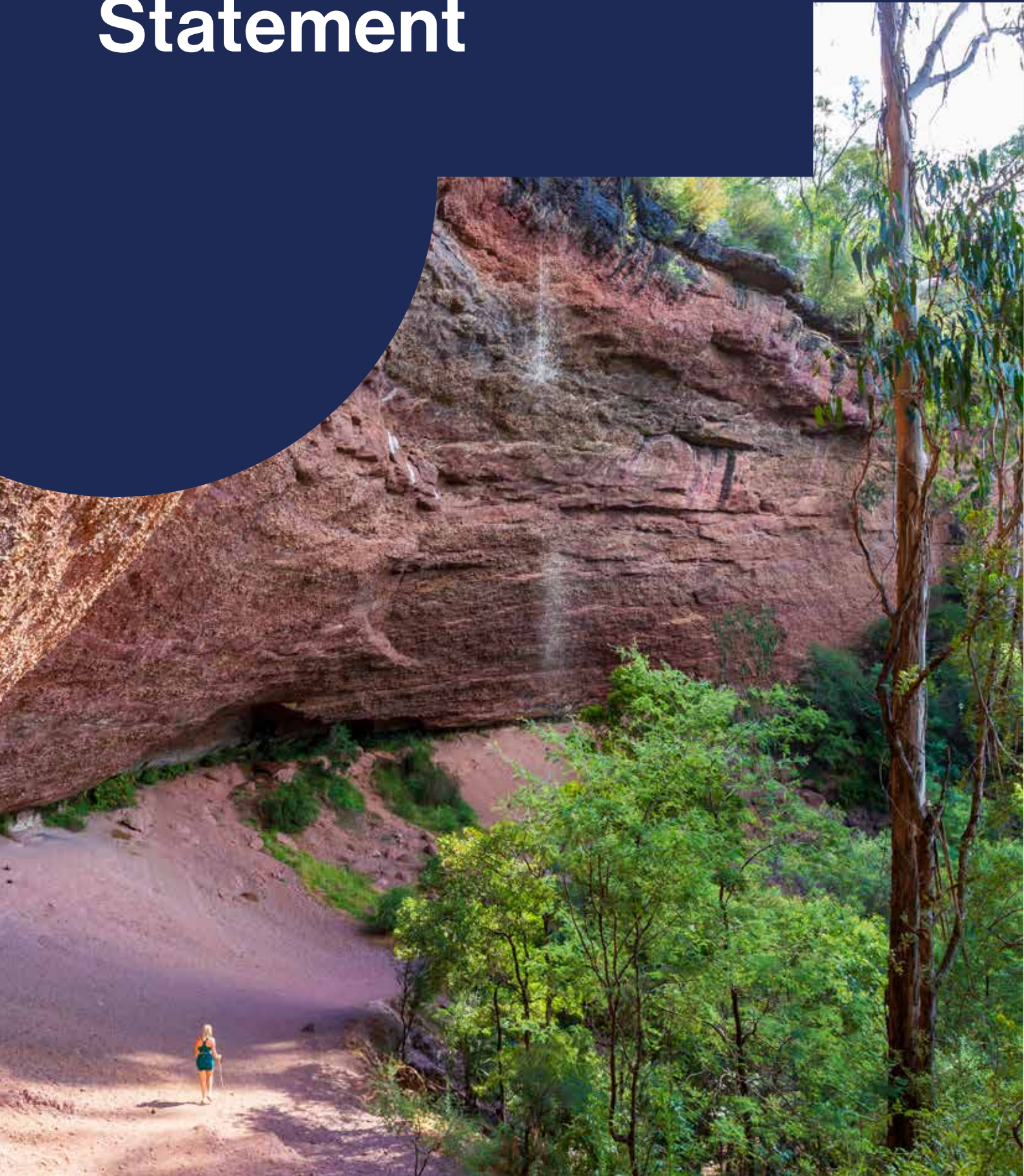
Total DCP contributions received and expended to date (for DCPs approved after 1 June 2016)

DCP name and year approved	Total levies received (\$)	Total levies expended (\$) **	Total works-in-kind accepted (\$)	Total DCP contributions received (levies and works-in-kind) (\$)
Wangaratta North West Development Contribution Plan (2018)	0.00	7,616,054.80	0.00	0.00
Wangaratta South Development Contrubution Plan (2018)	0.00	0.00	0.00	0.00
Total	0.00	7,616,054.80	0.00	0.00

Land, works, services or facilities delivered in 2020-21 financial year from DCP levies collected

Project description	Project ID	DCP name and year approved	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)*	Percentage of item delivered
Upgrade of Lindner Road from Worland Road to Christensen Lane	RD09	Wangaratta North West Development Contribution Plan, 2019	\$2,076.25	\$0.00	\$0.00	\$0.00	\$2,076.25	less than 1%
Upgrade of Lindner Road from Christensen Lane to Lindner Road	RD10	Wangaratta North West Development Contribution Plan (2018)	\$2,076.25	\$0.00	\$0.00	\$0.00	\$2,076.25	less than 1%
Lindner Road Trunk Drainage (bioretention basin design)	DR02	Wangaratta North West Development Contribution Plan (2018)	\$9,487.50	\$0.00	\$0.00	\$0.00	\$9,487.50	approx 1.6%
Total			\$13,640.00	\$0.00	\$0.00	\$0.00	\$13,640.00	apprx 3.6%

Performance Statement



Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2021

Description of the municipality

One of Victoria's most geographically diverse and scenic regions, the municipality offers a blend of city life and welcoming villages, native bushland, pastoral landscapes, and snow-capped peaks. Located in the heart of north east Victoria, Wangaratta is a leading regional city in an area of breathtaking beauty.

There are over 29,000 residents living in the municipality which covers an area of 3,639 square kilometres.

The largest urban centre in the municipality is Wangaratta. Prominent townships and villages include Boorhaman, Cheshunt, Eldorado, Everton, Glenrowan, Oxley, Milawa, Moyhu, Peechelba, Springhurst, Tarrawingee, Whitfield and Whorouly.

The regional economy is exceptionally diverse including major agricultural, manufacturing, transport and distribution activities as well as being the regional headquarters for several state government agencies.

Overview of 2020-21 Financial Year

During the financial year council continued to experience effects from COVID-19. COVID-19 impacts to indicators are discussed for those that have experienced material variations due to virus control actions.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2021

Sustainable Capacity Indicators

<i>Indicator / measure</i>	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,893.21	\$2,117.17	\$2,449.93	\$2,711.79	Council's 20/21 other expenditure such as the \$4.45m underlying increase to the landfill provision due to increased costs identified in a Financial Assurance Audit, in addition to \$2.5m of Works in Progress written off as the works did not meet the asset recognition criteria. Additionally, Council's employee costs increased from 19/20 due to the funded (non-recurrent) Working for Victoria program and the in-house operating of the WSAC leisure facility from November 2020.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$16,480.26	\$17,253.03	\$17,748.00	\$19,857.73	Council undertook a formal revaluation of land, land improvements and infrastructure in 2020/21 which resulted in an increase to the value of Council's fixed assets.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	14.54	14.67	14.69	15.49	Whilst the general population has grown, there has also been a minor increase in public road since previous reporting period due to developer contributed subdivisions and ongoing road register data cleansing. This has maintained the population density per length of road and has resulted in no material variance from results achieved in 2020.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,449.45	\$1,499.16	\$1,711.21	\$1,808.75	No material variance from results achieved in 2020.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$582.47	\$521.40	\$593.21	\$617.12	No material variance from results achieved in 2020.
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	4.00	4.00	4.00	4.00	There has been no change in our relative socio-economic disadvantage index over at least the last 4 years.
Workforce turnover					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.80%	10.00%	10.00%	13.35%	There was an increase in the number of resignations received during the financial year however, reasons for resignations varied and no specific source could be identified as the means for the increase.

* for definitions, see page 62

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2021

Service Performance Indicators

Service/indicator/measure	Results	Results	Results	Results	Comments
	2018	2019	2020	2021	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.73	4.63	9.81	9.18	COVID-19 restrictions for the second financial year have resulted in closure of the indoor facility for significant periods throughout 2020/21. However, utilisation remained consistent with prior years result.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	0%	0%	There were no animal management prosecutions during 2020-21.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	54.55%	68.18%	78.57%	100.00%	As COVID-19 restrictions resulted in the closure of a substantial number of food premises, a reduced number of critical non-compliance outcome notifications and major non-compliance notifications were issued, enabling Council to follow up all notifications.
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51.00	51.00	52.00	56.00	Council has undertaken significant community consultation and deliberative engagement in the past financial year in particular for the development of the new Community Vision 2033 and Council Plan 2021-25.
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers ^{viii} in the last three years / The sum of the population for the last three years] x100	14.84%	13.87%	13.64%	11.74%	As a result of COVID-19 restrictions the Wangaratta Library was closed for 11 weeks during 2020/21 (6 August to 20 October 2020) which impacted the number of active library borrowers. A Click and Collect and Library@Home service was provided, accounting for some active users.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2021

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	79.51%	73.97%	80.62%	84.74%	No material variance from results achieved in 2020.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	56.00	57.00	57.00	64.00	Community Satisfaction Survey reports Council's sealed roads performance is significantly higher by widest margin compared to state wide average and group average (Regional Centres).
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	66.67%	83.33%	33.33%	Council had three (3) planning application decisions referred to VCAT. Of those three referrals, VCAT set aside two (2) of Council's planning application decisions.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	60.66%	60.10%	61.83%	60.45%	Council's diversion of waste from landfill to productive uses is consistent with the last 3 financial years reflecting a successful organics program.

* for definitions, see page 62

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2021

Financial Performance

Dimension/indicator/measure	Results 2018	Results 2019	Results 2020	Result 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Material Variations and Comments
Efficiency									
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,546.73	\$3,991.06	\$4,564.99	\$4,939.55	\$4,381.38	\$4,476.19	\$4,578.91	\$4,688.31	Council's 20/21 other expenditure includes non-recurrent expenditure such as the \$4.45m underlying increase to the landfill provision due to increased costs identified in a Financial Assurance Audit, in addition to \$2.5m of Works in Progress written off as the works did not meet the asset recognition criteria. Additionally, Council's employee costs increased from 19/20 due to the funded (non-recurrent) Working for Victoria program and the in-house operating of the WSAC leisure facility from November 2020.
Revenue level									
Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	\$1,725.10	\$1,766.92	\$1,828.63	\$1,883.56	\$1,944.81	\$2,008.06	The increase reflects the rate increase pursuant to the rate cap and increases to waste service charges which continued to rise.
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	357.77%	201.13%	140.89%	173.09%	211.82%	159.67%	154.53%	111.83%	Council's current liquidity is healthy in anticipation of large capital works programs continuing in 2021/22 and 2022/23.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	74.56%	18.91%	52.36%	63.89%	130.35%	91.29%	79.37%	60.86%	Council's unrestricted cash is fluctuating based on the timing of borrowings drawn down and grant money received to support Council's large capital works program. The medium-term forecast reflect unfavourable movement in this indicator.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2021

Dimension/indicator/measure	Results 2018	Results 2019	Results 2020	Result 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Material Variations and Comments
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest and principle repayments on interest bearing loans and borrowings / Rate revenue] x100	28.42%	25.43%	49.40%	90.70%	84.66%	73.96%	64.64%	58.43%	Council drew down \$17.2m of borrowings in 20/21 as outlined in the 20/21 Budget. These borrowings funded capital works including the WSAC Aquatic Redevelopment, Cruse Street Development and Railway Precinct.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4.20%	2.87%	2.41%	7.37%	8.96%	8.86%	8.82%	7.96%	Loans and borrowing repayments compared to rates has increased, reflective of the additional borrowings in 20/21.
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	56.24%	55.60%	68.73%	99.40%	92.86%	84.11%	71.55%	49.73%	This indicator is influenced by increased borrowings and the increase to the landfill provision, resulting in a \$17.3m net increase to non-current liabilities.
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	100.28%	68.78%	99.84%	146.53%	75.36%	70.36%	The 20/21 capital works program saw significant expenditure on new assets. Council is forecast to average a result of 98% for this indicator in the next four years.
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	7.67%	-3.04%	-4.15%	-5.74%	-0.35%	-1.07%	-0.30%	0.33%	The adjusted underlying position has improved on 19/20 result and is forecast to continue to improve in the next four years. 20/21 was impacted by further increase to the landfill provision required due to increased unit rates identified in the Financial Assurance Audit and by the write off of Works in Progress that do not meet the asset recognition criteria. Both of these items are non-recurrent.
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	52.00%	53.86%	49.32%	47.22%	52.78%	54.52%	55.02%	55.45%	
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.62%	0.58%	0.57%	0.55%	0.54%	0.56%	0.58%	0.59%	

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2021

Former Measures

Service/indicator/measure	Results	Results	Results
	2018	2019	2020
Animal Management Health and Safety <i>Animal management prosecutions</i> [Number of successful animal prosecutions]	0	0	Retired in 2020
Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,750	\$1,949	Retired in 2020
Obligations Asset Renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	54%	63%	Retired in 2020

* for definitions, see page 62

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 (as per the transitional provisions of the Local Government Act 2020).

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the 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 28 June 2021 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.

Wangaratta Rural City Council

Performance Statement

For The Year Ended 30 June 2021

Definitions

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

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

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

"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

"annual report" means an annual report prepared by a council under section 98 of the Act

"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

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

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

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

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

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

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

"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

"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

"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

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

"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

"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

"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

"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

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2021

Certification

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* (as per the transitional provisions of the *Local Government Act 2020*).



Claire Barnes, Bachelor of Business (Management), Graduate Certificate of Professional Accounting
Principal Accounting Officer
Dated: 13/10/2021

In our opinion, the accompanying performance statement of the Wangaratta Rural City Council for the year ended 30 June 2021 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* (as per the transitional provisions of the *Local Government Act 2020*).

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

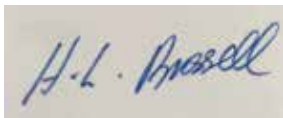
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

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

Cr Dean Rees
Mayor
Dated: 13/10/2021



Cr Harry Bussell
Deputy Mayor
Dated: 13/10/2021



Brendan McGrath
Chief Executive Officer
Dated: 13/10/2021



Independent Auditor's Report

To the Councillors of Wangaratta Rural City Council

Opinion	<p>I have audited the accompanying performance statement of Wangaratta Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2021 • sustainable capacity indicators for the year ended 30 June 2021 • service performance indicators for the year ended 30 June 2021 • financial performance indicators for the year ended 30 June 2021 • basis of preparation and • the certification. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff 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 and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines 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>
Auditor's responsibilities for the audit of the performance statement	<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 Engagements will always detect a material misstatement when it exists.</p>

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

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

MELBOURNE
19 October 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Financial Report



Wangaratta Rural City Council
Financial Report 2020/2021
Certification of the Consolidated
Financial Statements

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



Claire Barnes, Manager Finance, Bachelor of Business (Management), Graduate Certificate Professional Accounting
Principal Accounting Officer

Date : 13/10/2021
Wangaratta

In our opinion the accompanying consolidated financial statements present fairly the financial transactions of the Rural City of Wangaratta and its controlled entity for the year ended 30 June 2021 and the financial position of the Council and its controlled entity as at that date.

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

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

Cr Dean Rees

Mayor

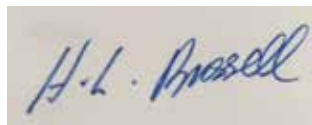
Date : 13/10/2021
Wangaratta



Cr Harry Bussell

Deputy Mayor

Date : 13/10/2021
Wangaratta



Brendan McGrath

Chief Executive Officer



Independent Auditor's Report

To the Councillors of Wangaratta Rural City Council

Opinion	<p>I have audited the consolidated financial report of Wangaratta Rural City Council (the council) and its controlled entity (together, the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> consolidated entity and council balance sheet as at 30 June 2021 consolidated entity and council comprehensive income statement for the year then ended consolidated entity and council statement of changes in equity for the year then ended consolidated entity and council statement of cash flows for the year then ended consolidated entity and council statement of capital works for the year then ended notes to the financial statements, including significant accounting policies certification of the consolidated financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the council as at 30 June 2021 and their 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 and the consolidated entity 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's 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 and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the council and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the council and the consolidated entity. I remain solely responsible for my audit opinion.

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
19 October 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Wangaratta Rural City Council
Financial Report 2020/2021
Comprehensive Income Statement
For the Year Ended 30 June 2021

	Note	Consolidated		Council	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Income					
Rates and charges	3.1	35,354	33,796	35,354	33,796
Statutory fees and fines	3.2	1,162	1,139	1,162	1,139
User fees	3.3	10,873	11,215	10,409	10,696
Grants - operating	3.4	20,935	17,160	20,935	17,160
Grants - capital	3.4	8,243	7,728	8,243	7,728
Contributions - monetary	3.5	1,077	407	1,077	407
Contributions - non monetary	3.5	1,825	2,439	1,825	2,439
Net gain on disposal of property, infrastructure, plant and equipment	3.6	394	289	394	289
Other income	3.7	4,682	4,014	4,680	4,025
Total income		84,544	78,187	84,079	77,679
Expenses					
Employee costs	4.1	27,419	25,108	27,218	24,920
Materials and services	4.2	24,580	23,431	24,395	23,207
Depreciation	4.3	16,439	15,032	16,413	15,008
Amortisation - intangible assets	4.4	967	105	967	105
Amortisation - right of use assets	4.5	261	69	248	62
Bad and doubtful debts	4.6	210	94	210	94
Borrowing costs	4.7	650	375	650	375
Finance costs - leases	4.8	37	12	33	10
Other expenses	4.9	9,042	7,725	9,042	7,725
Total expenses		79,604	71,951	79,176	71,506
Surplus/(deficit) for the year		4,940	6,236	4,903	6,173
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment/(decrement)	6.2	61,166	328	61,166	328
Total comprehensive result		66,106	6,564	66,070	6,501

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

Wangaratta Rural City Council
Financial Report 2020/2021
Balance Sheet
As at 30 June 2021

		Consolidated		Council	
	Note	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets					
Current assets					
Cash and cash equivalents	5.1 (a)	34,868	16,065	34,524	15,744
Trade and other receivables	5.1 (c)	5,518	7,028	5,490	6,991
Other financial assets	5.1 (b)	11,000	4,000	11,000	4,000
Inventories	5.2 (a)	7	5	2	1
Non-current assets classified as held for sale	6.1	1,658	2,386	1,658	2,386
Other assets	5.2 (b)	1,204	426	1,204	426
Total current assets		54,255	29,910	53,878	29,548
Non-current assets					
Other financial assets	5.1 (b)	254	10	254	10
Property, infrastructure, plant and equipment	6.2	646,917	577,676	646,771	577,572
Right-of-use assets	5.8	803	1,064	708	956
Intangible assets	5.2 (c)	2,562	2,501	2,562	2,501
Total non-current assets		650,536	581,251	650,295	581,039
Total assets		704,792	611,161	704,173	610,587
Liabilities					
Current liabilities					
Trade and other payables	5.3 (a)	6,943	6,812	6,903	6,784
Trust funds and deposits	5.3 (b)	2,005	1,578	2,005	1,578
Unearned Income	5.3 (c)	12,931	3,186	12,931	3,186
Provisions	5.5	6,385	8,103	6,361	8,085
Interest-bearing liabilities	5.4	2,688	1,170	2,688	1,170
Lease liabilities	5.8	251	180	240	169
Total current liabilities		31,203	21,029	31,128	20,972
Non-current liabilities					
Provisions	5.5	21,826	17,982	21,825	17,981
Interest-bearing liabilities	5.4	29,378	15,558	29,378	15,558
Lease liabilities	5.8	572	887	485	788
Total non-current liabilities		51,776	34,427	51,688	34,327
Total liabilities		82,979	55,456	82,817	55,299
Net assets		621,812	555,705	621,357	555,288
Equity					
Contributed equity		152	152	-	-
Accumulated surplus		179,425	177,372	179,122	177,106
Reserves	9.1	442,235	378,181	442,235	378,182
Total Equity		621,812	555,705	621,357	555,288

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

Wangaratta Rural City Council
Financial Report 2020/2021
Statement of Changes in Equity
For the Year Ended 30 June 2021

Consolidated	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves		Contributed Equity	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		555,706	549,142	177,372	178,564	358,686	358,358	19,496	12,068	152	152
Surplus for the year/(deficit)		4,940	6,236	4,940	6,236	-	-	-	-	-	-
Contributed equity		-	-	-	-	-	-	-	-	-	-
Net asset revaluation increment	9.1	61,166	328	-	-	61,166	328	-	-	-	-
Transfers to other reserves	9.1	-	-	(13,697)	(12,628)	-	-	13,697	12,628	-	-
Transfers from other reserves	9.1	-	-	10,810	5,201	-	-	(10,810)	(5,201)	-	-
Balance at end of the financial year		621,812	555,706	179,425	177,372	419,852	358,686	22,383	19,496	152	152

Council	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves		Other Reserves	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		555,288	548,787	177,106	178,361	358,686	358,358	19,496	12,068	-	-
Surplus for the year		4,903	6,173	4,903	6,173	-	-	-	-	-	-
Net asset revaluation increment	9.1	61,166	328	-	-	61,166	328	-	-	-	-
Transfers to other reserves	9.1	-	-	(13,697)	(12,628)	-	-	13,697	12,628	-	-
Transfers from other reserves	9.1	-	-	10,810	5,201	-	-	(10,810)	(5,201)	-	-
Balance at end of the financial year		621,357	555,288	179,122	177,106	419,852	358,686	22,383	19,496	-	-

The Statements of Change in Equity should be read in conjunction with the accompanying notes.

Wangaratta Rural City Council
Financial Report 2020/2021
Statement of Cash Flows
For the Year Ended 30 June 2021

Note	Consolidated		Council	
	2,021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash flows from operating activities				
Rates and charges	36,006	32,984	36,006	32,984
Statutory fees and fines	1,162	1,070	1,162	1,070
User fees	10,942	10,591	10,409	10,017
Grants - operating	20,935	18,305	20,935	18,305
Grants - capital	8,243	8,142	8,243	8,142
Contributions - monetary	1,077	407	1,077	407
Interest received	116	404	116	404
Trust funds and deposits taken	427	90	427	90
Reimbursements	2,055	1,428	2,055	1,428
Other receipts	10,552	30	10,552	41
Net GST refund/payment	160	477	160	473
Employee costs	(24,998)	(24,293)	(24,998)	(24,293)
Materials and services	(26,237)	(23,921)	(25,818)	(23,430)
Short-term, low value and variable lease payments	(253)	(115)	(253)	(115)
Other payments	15	-	15	-
Net cash provided by/(used in) operating activities	40,202	25,599	40,088	25,523
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment	(29,635)	(37,100)	(29,566)	(37,030)
Proceeds from sale of property, infrastructure, plant and equipment	834	2,216	834	2,216
Net (increase)/decrease in other financial assets	(7,000)	10,810	(7,000)	10,810
Net cash provided by/(used in) investing activities	(35,801)	(24,074)	(35,732)	(24,004)
Cash flows from financing activities				
Finance costs	(650)	(375)	(650)	(375)
Proceeds from borrowings	17,292	8,984	17,292	8,984
Repayment of borrowings	(1,954)	(441)	(1,954)	(441)
Interest paid - lease liability	(44)	(12)	(33)	(10)
Repayment of lease liabilities	(242)	(70)	(231)	(62)
Net cash used in financing activities	14,402	8,087	14,424	8,096
Net increase (decrease) in cash and cash equivalents	18,803	9,612	18,780	9,615
Cash and cash equivalents at the beginning of the financial year	16,065	6,453	15,744	6,129
Cash and cash equivalents at the end of the financial year	34,868	16,065	34,524	15,744

Financing arrangements 5.6
Restrictions on cash assets 5.1

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

Wangaratta Rural City Council
Financial Report 2020/2021
Statement of Capital Works
For the Year Ended 30 June 2021

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Property				
Land improvements	4,357	4,004	4,357	4,004
Total land	4,357	4,004	4,357	4,004
Buildings	1,363	1,337	1,363	1,337
Total buildings	1,363	1,337	1,363	1,337
Total property	5,720	5,341	5,720	5,341
Plant and equipment				
Plant, machinery and equipment	1,530	2,539	1,530	2,465
Fixtures, fittings and furniture	65	246	65	246
Computers and telecommunications	820	522	820	522
Art Collection	3	10	3	10
Library books	178	185	178	185
Total plant and equipment	2,596	3,502	2,596	3,428
Infrastructure				
Roads	3,819	7,389	3,819	7,389
Bridges	867	132	867	132
Footpaths and cycleways	300	427	300	427
Drainage	1,502	2,016	1,502	2,016
Recreational, leisure and community facilities	8,586	12,904	8,586	12,904
Waste management	391	3,681	391	3,681
Parks, open space and streetscapes	1,819	320	1,819	320
Aerodromes	494	655	494	655
Off street car parks	-	1	-	1
Other infrastructure	1,298	45	1,298	45
Total infrastructure	19,076	27,570	19,076	27,570
Total capital works expenditure	27,392	36,413	27,392	36,339
Represented by:				
New asset expenditure	16,103	21,363	16,103	21,289
Asset renewal expenditure	7,124	9,396	7,124	9,396
Asset upgrade expenditure	4,165	5,654	4,165	5,654
Total capital works expenditure	27,392	36,413	27,392	36,339

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

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

OVERVIEW

Introduction

The Rural City of Wangaratta was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at 62-68 Ovens Street Wangaratta.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

(b) Impact of COVID-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global COVID-19 pandemic. A state of disaster was subsequently declared on 2 August 2020 and Restricted Activity Directives have been in place in some form for the most of the 2020/21 financial year. This has at times significantly impacted Council's operations through closures and reduced service delivery.

As outlined in Performance Against Budget note 1.1, user fees has seen the biggest impact as facilities such as WSAC and the Performing Arts Centre responded to restrictions. It is expected that rebuilding these revenue levels may not be immediate as ongoing restrictions change community behaviour. Savings in materials and services and employee costs were able to be identified in these program budgets, however have not completely offset the impact of lost revenue. Council has identified \$138k of additional expenditure in relation to PPE and additional cleaning required in response to COVID.

A number of grants were received in response to COVID, including the Working for Victoria Program (\$1.2m in 2020/21) and the Local Roads and Community Infrastructure program (Round 1 \$1.8m) to fund expenditure to stimulate the economy.

Council's receivables were not adversely impacted, with only 3.3% of rates and garbage debtors outstanding at balance date, in line with pre-COVID conditions.

Non-current asset values are not expected to be materially impacted by COVID at balance date. Formal revaluations were undertaken for Land and Land Improvement assets in 20/21 and have no specific disclosures relating to uncertainty.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$200,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

1.1 Income and expenditure

	Budget	Actual	Variance	Variance	
	2021	2021	2021	2021	
	\$'000	\$'000	\$'000	%	Ref
Income					
Rates and charges	35,375	35,354	(21)	(0%)	
Statutory fees and fines	1,241	1,162	(79)	(6%)	
User fees	11,419	10,409	(1,010)	(9%)	1
Grants - operating	17,336	20,935	3,599	21%	2
Grants - capital	7,503	8,243	740	10%	3
Contributions - monetary	610	1,077	467	77%	4
Contributions - non monetary	-	1,825	1,825	100%	5
Net gain on disposal of property, infrastructure, plant and equipment	104	394	290	279%	6
Other income	2,870	4,680	1,810	63%	7
Total income	76,458	84,079	7,621	10%	
Expenses					
Employee costs	27,447	27,218	229	1%	8
Materials and services	24,731	24,395	336	1%	9
Depreciation	16,060	16,413	(353)	(2%)	10
Amortisation - Intangible assets	940	967	(27)	(3%)	
Amortisation - Right of use assets	227	248	(21)	(9%)	
Bad and doubtful debts	-	210	(210)	100%	11
Borrowing costs	498	650	(152)	(31%)	12
Finance costs - Leases	58	33	25	44%	
Other expenses	437	9,042	(8,605)	(1969%)	13
Total expenses	70,397	79,176	(8,778)	(12%)	
Surplus/(deficit) for the year	6,061	4,903	(1,157)	(19%)	

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 1 Performance against budget (cont'd)

1.1 Income and expenditure

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees	Income from the WSAC facility was \$1.16m less than adopted budget due to the timing of opening the centre and repeated COVID related restrictions impacting availability of the centre. Commercial waste income was \$393k less than adopted budget largely due to the timing of bushfire waste that straddled the 2019/20 and 2020/21 financial years. Parking fees were \$137k less than budget and Performing Arts Centre user fees \$109k less than budget due to extended periods of free parking and show cancellations and capacity restraints respectively. These unfavourable results were partially offset by increased Long Day Care Centre user fees \$511k due to subsidies and Building Services user fees \$165k as a result of increased demand.
2	Grants - operating	Council benefitted from a range of additional operating grant funding including \$1.126m for the Working for Victoria Program, \$591k for a range of bushfire recovery related activities, \$497k for the Ovens & Murray Multicultural Regional Area Partnership, \$284k for Kerbside Reform, \$260k for Packaged Care, \$210k for Community Care and an additional \$186k of Financial Assistance Grants.
3	Grants - capital	Additional grant funding was received for the Ned Kelly Glenrowan project \$1m, CBD Masterplan Railway Precinct \$463k, Outdoor Eating and Entertainment \$388k and Flood Mitigation Strategy and Design \$280k. This additional funding has been partially offset but the timing of recognition of capital grant income under AASB 1058 for projects including Drought Relief Funding \$833k, Regional Playspace \$81k and Mitchell Ave Children's Garden \$53k, see note 3.4c for further detail.
4	Contributions - monetary	Additional monetary contributions of \$139k for capital projects were received of which \$112k related to North East Water's contribution to the Railway Precinct Development. A further \$128k of monetary contributions in connection with developments approved by the Planning team were received in excess of the adopted budget, in addition to \$85k for Start Up Shake Up and \$41k for the Supporting Pest, Animal and Weed Management program.
5	Contributions - non monetary	Council did not budget for the contribution of non-monetary assets. The income related to the value of assets transferred from developers to Council during the year.
6	Net gain on disposal of property, infrastructure, plant and equipment	Greater than adopted budget by \$290k largely due to increased revenue from higher volume of light vehicles disposed as fleet was partially replaced with lease in 2019/20.
7	Other income	Other income includes \$1.6m associated with the favourable movement of discount rates for the landfill and employee provisions and \$244k relating to favourable movement to the fair value of Council's financial assets. This is partially offset \$523k less than budgeted reimbursement for the 2018 Flood Natural Disaster, which was received in 2019/20.
8	Employee Costs	Employee costs were \$229k less than adopted budget, largely due to the inclusion of grant funded Working for Victoria program \$1.1m, offset by less than budgeted expenditure for WSAC employee costs of \$845k due to COVID restrictions and recruitment challenges.
9	Materials and services	Materials and services was \$336k less than adopted budget. This can be explained by operational savings realised through reduced service delivery related to COVID restrictions for programs including WSAC \$314k and Performing Arts \$193k. The timing of the Gun Club Rehabilitation \$536k and delivery of the Drought Relief Funding program \$632k also favourably impacted the Materials and Services total spend. These actual and timing related savings were partially offset by increased expenditure in relation to funded projects including Homecare \$395k, 2018 Flood Event \$241k, Ovens and Murray Multicultural Regional Partnership \$111k. Unsealed roads expenditure was \$362k greater than adopted budget due to the hire of water trucks. Unbudgeted expenditure of \$138k on PPE and additional cleaning in response to COVID was also incurred.
10	Depreciation	Depreciation was \$353k greater than adopted budget due to the impact of capitalisation of Work in Progress during 2020/21 and the impact of revaluation effective 31 May 2021.
11	Bad and doubtful debts	Bad and doubtful debts were not budgeted for and reflect the expected loss against outstanding sundry, childcare and statutory receivables.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget	Actual	Variance	Variance	Ref
	2021	2021			
	\$'000	\$'000	\$'000	%	
Property					
Land improvements	5,538	4,357	(1,181)	(21%)	1
Total land	5,538	4,357	(1,181)	(21%)	
Buildings	1,208	1,363	155	13%	2
Total buildings	1,208	1,363	155	13%	
Total property	6,746	5,720	(1,026)	(15%)	
Plant and equipment					
Plant, machinery and equipment	1,854	1,530	(324)	(17%)	3
Fixtures, fittings and furniture	50	65	15	30%	4
Computers and telecommunications	756	820	64	8%	
Art collection	7	3	(4)	(56%)	5
Library books	199	178	(21)	(10%)	6
Total plant and equipment	2,866	2,596	(270)	(9%)	
Infrastructure					
Roads	3,531	3,819	288	8%	7
Bridges	1,019	867	(152)	(15%)	8
Footpaths and cycleways	749	300	(449)	(60%)	9
Drainage	1,881	1,502	(379)	(20%)	10
Recreational, leisure and community facilities	7,203	8,586	1,383	19%	11
Waste management	400	391	(9)	(2%)	
Parks, open space and streetscapes	850	1,819	969	114%	12
Aerodromes	629	494	(135)	(21%)	13
Other infrastructure	4,002	1,298	(2,704)	(68%)	14
Total infrastructure	20,264	19,076	(1,189)	(6%)	
Total capital works expenditure	29,876	27,392	(2,486)	(8%)	
Represented by:					
New asset expenditure	10,996	16,103	5,107	46%	
Asset renewal expenditure	7,913	7,124	(789)	(10%)	
Asset upgrade expenditure	10,967	4,165	(6,802)	(62%)	
Total capital works expenditure	29,876	27,392	(2,484)	(8%)	

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 1 Performance against budget (cont'd)

1.2 Capital works (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Less than budget by \$1.18m largely due to the timing of completion of the multi year CBD Masterplan: Railway Precinct which exceeded delivery expectations in 2019/20 and resulted in \$913k less than budget spent this year, in addition to the carry over of RRP Township Entrance & Signage into 21/22 (\$195k).
2	Buildings	Greater than budget by \$155k largely due to additional expenditure on the WSAC - Buildings & Café Renewal.
3	Plant, machinery and equipment	Less than budget by \$324k due to increased lead times on securing plant items (\$273k) that will be carried into 2021/22 and savings on Aquatics Equipment (\$116k).
4	Fixtures, fittings and furniture	Greater than budget by \$15k due to additional expenditure on Street Furniture Renewal (\$15k).
5	Art collection	Less than budget by \$4k due to Covid limiting the ability of the committee to meet identify artwork to purchase.
6	Library books	Less than budget by \$21k due to less than anticipated expenditure on the contribution to the Library Book Collection (\$17k) and Premier's Reading Challenge (\$4k).
7	Roads	Greater than budget by \$288k largely due to the addition of the Upgrade of Sandfood Road (\$640k) under the Local Roads and Community Infrastructure program, offset by DCP works for Linder Road (\$346k) that were reprioritised in the long-term financial plan.
8	Bridges	Less than budget by \$152k due to less than anticipated expenditure on the Developmental Road Bridge Replacement (\$170k), Bridge Renewal (\$87k) and Bridge Abutment Works (\$87k) offset by additional expenditure on Major Culvert Renewal (\$113k) and the addition of the Peipers Lane Bridge Reconstruction (\$79k).
9	Footpaths and cycleways	Less than budget by \$449K due to delays in delivery of Footpath Renewal, these projects have been carried over to the 21/22 Budget.
10	Drainage	Less than budget by \$379k largely due to the removal of Murrell Street Basin (\$218k) and the carry over of Waldara LDRZ Drainage (\$143k) to the 21/22 Budget.
11	Recreational, leisure and community facilities	Greater than budget by \$1.38m due to WISAC Development (\$2.47m) which was carried over from the 19/20 Budget, this is offset by less than anticipated expenditure on the Regional Playspace (\$1.08m) which was carried over into the 21/22 Budget.
12	Parks, open space and streetscapes	Greater than budget by \$969k largely due to the inclusion of the Outdoor Eating and Entertainment (\$388k), additional expenditure on the Mitchell Avenue Children's Garden (\$367k) and the inclusion of the North Wangaratta Reserve Lighting Upgrade (\$188k) due to additional grant funding/new funding.
13	Aerodromes	Less than budget by \$135k due to the carry over of the Wangaratta Aerodrome - Commercial Hangars (\$133k) to the 21/22 Budget.
14	Other infrastructure	Less than budget by \$2.7m due to the allocation of the Local Roads and Community Infrastructure (\$1.46m) funding to road projects, the carry over of Drought Relief Funding (\$833k) to the 21/22 Budget due to delays caused by wet weather, the carry over of the Marketing & Branding Strategy (\$200k) into the 21/22 Budget and the reclassification of District Plan Works (\$99k) as operating based on the work being conducted as part of the project.

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Executive Services

Executive Services has the responsibility for the overall management of operation in accordance with the strategic directions of the Council Plan.

Corporate Services

Corporate Services provides efficient, effective and proactive support services across council to enable the delivery of policy commitments, council vision and mission. The provision of these services includes finance services, property and revenue, payroll, human resources, learning and development, occupational health and safety and risk, media communications, business governance, customer services, information technology, records, business systems and procurement.

Development Services

Development Services provides building, planning and development service to the municipality. These services include building compliance, planning, local laws, environmental health, school crossings, immunisation, natural resource management and sustainability, economic development, tourism and aerodrome management.

Community Wellbeing

Community Wellbeing provides high quality community focused programs, service delivery and communication to residents. Community Wellbeing is comprised of arts, culture and events, community engagement, recreation, family and early childhood service, aged and disability services. Community Wellbeing also comprises marketing.

Infrastructure Services

Infrastructure Services is responsible for constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. Infrastructure services comprise of asset planning and inspection, design and development, project management, contract delivery, arboriculture, vegetation management, parks and gardens, turf management, cemetery, waste management and emergency management.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

2 (b) Summary of revenues, expenses, assets and capital expenses by program

2021

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Executive Services	16	1,107	(1,090)	-	-
Corporate Services	47,445	36,197	11,249	8,854	55,036
Development Services	4,448	5,438	(990)	977	-
Community Wellbeing	14,893	18,749	(3,856)	9,670	2,401
Infrastructure Services	17,276	17,685	(409)	9,677	646,736
	84,079	79,176	4,903	29,178	704,173

2020

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Executive Services	13	933	(920)	-	-
Corporate Services	44,464	26,985	17,479	7,428	1,200
Development Services	3,995	5,653	(1,658)	218	-
Community Wellbeing	12,954	16,435	(3,481)	8,797	2,248
Infrastructure Services	13,517	18,764	(5,247)	8,445	607,139
	74,943	68,770	6,173	24,888	610,587

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 3 Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2020/21 was \$6.308 billion (2019/20 \$5.940 billion).

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cultural and recreational land	27	22	27	22
Garbage	3,247	3,046	3,247	3,046
General rates	28,098	27,045	28,098	27,045
Organics	1,625	1,464	1,625	1,464
Recycling	2,133	1,926	2,133	1,926
Supplementary rates and rate adjustments	224	293	224	293
Total rates and charges	35,354	33,796	35,354	33,796

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation was first applied in the rating year commencing 1 July 2020.

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

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Animal registrations	469	354	469	354
Health fees	100	153	100	153
Infringements and costs	172	160	172	160
Land information certificates	33	28	33	28
Town planning fees	325	376	325	376
Vehicle Crossing	63	68	63	68
Total statutory fees and fines	1,162	1,139	1,162	1,139

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.

Restatement of the 2020 reported balance has occurred as \$47.7k of bad debt expense was incorrectly recorded as revenue against infringements and costs.

3.3 User fees

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Aged and health services	1,264	1,240	1,264	1,240
Building services	382	300	382	300
Cemetery	341	283	341	283
Child care/children's programs	2,778	2,227	2,778	2,227
Engineering fee	175	102	175	102
External private works	30	50	30	50
Library	67	72	67	72
Livestock exchange fees	466	519	2	1
Other fees and charges	275	401	275	401
Parking	262	287	262	287
Performing arts & culture	245	541	245	541
Regional certification	4	33	4	33
Rental properties	439	372	439	372
Waste management services	3,354	4,788	3,354	4,788
Wangaratta Sports and Aquatic Centre	791	-	791	-
Total user fees	10,873	11,215	10,409	10,696

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

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 3 Funding for the delivery of our services (cont'd)

3.4 Funding from other levels of government

Grants were received in respect of the following :

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Summary of grants				
Commonwealth funded grants	19,716	17,468	19,716	17,468
State funded grants	9,463	7,420	9,463	7,420
Total grants received	29,179	24,888	29,179	24,888

(a) Operating Grants

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Recurrent - Commonwealth Government				
Financial Assistance Grants	7,591	7,428	7,591	7,428
Aged & Community Care - Packaged Care	6,516	6,301	6,516	6,301
Recurrent - State Government				
Emergency	133	60	133	60
Building	75	-	75	-
Compliance	69	-	69	-
Environmental health	17	35	17	35
Libraries	250	236	250	236
Family and early childhood services	539	538	539	538
Culture and recreation	115	115	115	115
Maternal and child health	561	459	561	459
Youth Services	25	23	25	23
Aged and disability	573	506	573	506
Total recurrent operating grants	16,464	15,701	16,464	15,701

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Non-recurrent - Commonwealth Government				
Bushfire Emergency Assistance	320	-	320	-
Culture and recreation	104	-	104	-
Events	21	10	21	10
Pest Animals and Weed Management	697	-	697	-
Non-recurrent - State Government				
Working for Victoria	1,263	-	1,263	-
Gun club rehabilitation	500	-	500	-
Cultural development	697	87	697	87
Kerbside reform	284	-	284	-
Bushfire Emergency Assistance	178	486	178	486
Environmental enhancement	62	71	62	71
Community wellbeing	43	356	43	356
Economic development	67	70	67	70
Events	51	13	51	13
Gallery	68	53	68	53
Maternal and child health	5	-	5	-
Childrens services	47	82	47	82
Library	25	-	25	-
Other	39	230	39	230
Total non-recurrent operating grants	4,471	1,458	4,471	1,458
Total operating grants	20,935	17,160	20,935	17,160

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 3 Funding for the delivery of our services (cont'd)

3.4 Funding from other levels of government (cont')

(b) Capital Grants

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Recurrent - Commonwealth Government				
Roads to recovery	1,554	1,554	1,554	1,554
Total recurrent capital grants	1,554	1,554	1,554	1,554
Non-recurrent - Commonwealth Government				
Recreational, leisure and community facilities	2,106	2,165	2,106	2,165
Parks, open space and streetscapes	188	9	188	9
Aerodromes	358	-	358	-
Other Infrastructure	260	-	260	-
Non-recurrent - State Government				
Land improvements	500	2,163	500	2,163
Bridges	169	136	169	136
Drainage	280	2	280	2
Library books	-	8	-	8
Artwork	-	10	-	10
Roads	751	698	751	698
Footpaths and cycleways	122	94	122	94
Recreational, leisure and community facilities	614	228	614	228
Waste management	-	318	-	318
Parks, open space and streetscapes	1,341	321	1,341	321
Other Infrastructure	-	22	-	22
Total non-recurrent capital grants	6,689	6,174	6,689	6,174
Total capital grants	8,243	7,728	8,243	7,728

(c) Unspent grants received on condition that they be spent in a specific manner

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Operating				
Balance at start of year	571	424	571	424
Received during the financial year and remained unspent at balance date	1,056	521	1,056	521
Received in prior years and spent during the financial year	(547)	(374)	(547)	(374)
Balance at year end	1,080	571	1,080	571
Capital				
Balance at start of year	414	1,323	414	1,323
Received during the financial year and remained unspent at balance date	8,960	429	8,960	429
Received in prior years and spent during the financial year	(414)	(1,338)	(414)	(1,338)
Balance at year end	8,960	414	8,960	414

Operating grant revenue with sufficiently specific performance obligations are recognised over time in accordance with AASB 15 as the performance obligations specified in the underlying agreements are met. Where performance obligations are not sufficiently specific, grant revenue is recognised in accordance with AASB 1058 on the earlier of receipt or when an unconditional right to receive the income has been established.

Capital grant revenue is recognised overtime in accordance with AASB 1058 when the obligations under the agreement are met. This is normally in line with the stage of completion of the underlying asset being constructed.

Council received significant funding from government for capital projects including the WSAC Extension (\$4.9m) and the King Valley Prosecco Road Masterplan Implementation (\$1m) in advance, which has been treated as unspent under AASB 1058 for the period ending 30 June 2021.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 3 Funding for the delivery of our services (cont'd)

3.5 Contributions

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Monetary	1,077	407	1,077	407
Non-monetary	1,825	2,439	1,825	2,439
Total contributions	2,902	2,846	2,902	2,846

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

Drainage	497	729	497	729
Paths	53	321	53	321
Roads (including Kerbing)	1,275	1,389	1,275	1,389
Total non-monetary contributions	1,825	2,439	1,825	2,439

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

3.6 Net gain on disposal of property, infrastructure, plant and equipment

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Proceeds of sale	2,053	2,216	2,053	2,216
Written down value of assets disposed	(1,659)	(1,927)	(1,659)	(1,927)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	394	289	394	289

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

3.7 Other income

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest	116	329	116	329
Reimbursements - other	196	224	196	224
Reimbursements - Natural disasters	2,055	94	2,055	94
Decrease in provision for landfill arising from changes in discount rates	1,604	2,689	1,604	2,689
Found Assets - Paths & Artwork Assets	293	648	293	648
Fair Value Movement - Financial Assets	244	-	244	-
Other	174	30	172	41
Total other income	4,682	4,014	4,680	4,025

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. A substantial change in the long term discount rate applied in the calculation of rehabilitation provisions for Council's landfills has resulted in a decrease to the landfill provision of \$1.6m. Council received Natural Disaster reimbursements of \$2.05m from the State Government Natural Disaster Financial Assurance scheme for the 2018 Flood Event, this income is non-recurrent.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 4 The cost of delivering services

4.1 (a) Employee costs

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	21,310	19,371	21,134	19,202
Annual leave and long service leave	3,253	2,934	3,245	2,930
WorkCover	267	225	266	224
Superannuation	2,194	2,220	2,178	2,205
Fringe benefits tax	85	93	85	93
Other	310	265	310	265
Total employee costs	27,419	25,108	27,218	24,920

Restatement of the 2020 reported balance has occurred as \$93.2k of fringe benefit expense was incorrectly recorded against other materials and services.

(b) Superannuation

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Council made contributions to the following funds:				
Defined benefit fund				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	57	65	57	65
	57	65	57	65
Accumulation funds				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,110	1,211	1,110	1,211
Employer contributions - other funds	981	785	981	785
	2,091	1,996	2,091	1,996
Employer contributions payable at reporting date.	129	106	129	106

Refer to note 9.3 for further information relating to Council's superannuation obligations.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 4 The cost of delivering services (cont'd)

4.2 Materials and services

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Advertising and promotion	204	570	204	570
Bank charges	92	72	92	72
Brokerage fees - HACC	113	167	113	167
Building maintenance	45	22	45	22
Community grants and contributions	766	636	766	636
Consultants	904	1,056	904	1,056
Contract payments	6,699	6,469	6,699	6,469
Insurance	616	489	616	489
Legal Expenses	63	52	63	52
Levies and licences	1,145	1,065	1,145	1,065
Livestock exchange	185	224	-	-
Minor equipment	204	138	204	138
Natural disasters	25	29	25	29
Other materials and services	2,675	3,301	2,675	3,301
Packaged care brokerage	2,501	2,428	2,501	2,428
Packaged care unspent funds transferred	571	290	571	290
Plant and equipment maintenance	7	0	7	0
Plant operating	4,303	3,421	4,303	3,421
Postage	75	85	75	85
Printing and stationery	54	64	54	64
Security	198	211	198	211
Software maintenance	1,111	669	1,111	669
Staff development	327	414	327	414
Subscriptions & publications	3	95	3	95
Telephone	267	290	267	290
Utilities	1,378	1,141	1,378	1,141
Valuation Contract	49	35	49	35
Total materials and services	24,580	23,431	24,395	23,207

Restatement of the 2020 reported balance has occurred as \$93.2k of fringe benefit expense was incorrectly recorded against other materials and services. See note 4.1 (a).

4.3 Depreciation

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Property	1,183	1,250	1,183	1,250
Plant and equipment	2,634	2,479	2,608	2,456
Infrastructure	12,622	11,303	12,622	11,303
Total depreciation	16,439	15,032	16,413	15,009

Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - Intangible assets

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Landfill airspace	967	105	967	105
Total Amortisation - Intangible assets	967	105	967	105

4.5 Amortisation - Right of use assets

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Property	13	7	-	-
Vehicles	248	62	248	62
Total Amortisation - Right of use assets	261	69	248	62

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 4 The cost of delivering services (cont'd)

4.6 Bad and doubtful debts

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Parking fine debtors	137	48	137	48
Other debtors	73	46	73	46
Total bad and doubtful debts	210	94	210	94

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Movement in provisions for doubtful debts				
Balance at the beginning of the year	249	155	249	155
New provisions recognised during the year	210	94	210	94
Amounts already provided for and written off as uncollectible	(16)	-	(16)	-
Balance at end of year	443	249	443	249

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.7 Borrowing costs

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest - Borrowings	650	375	650	375
Total borrowing costs	650	375	650	375

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.8 Finance Costs - Leases

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest - Lease Liabilities	37	12	33	10
Total finance costs	37	12	33	10

4.9 Other expenses

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	30	62	30	62
Auditors' remuneration - Internal	30	23	30	23
Councillors' allowances	249	267	249	267
Revaluation of library books	-	196	-	196
Write off of non-capital items from WIP	2,514	1,643	2,514	1,643
Recognition of additional landfill provision - closed sites	4,449	5,432	4,449	5,432
Prior period accumulated surplus correction	878	-	878	-
Pension rebate -Recycling	47	44	47	44
New industry rate assistance	5	7	5	7
Asset Adjustments	840	-	840	-
Others	-	51	-	51
Total other expenses	9,042	7,725	9,042	7,725

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
5.1 Financial assets				
(a) Cash and cash equivalents				
Cash on hand	6	5	6	5
Cash at bank	9,457	504	9,113	183
Money market at call account	25,405	15,556	25,405	15,556
Total cash and cash equivalents	34,868	16,065	34,524	15,744
(b) Other financial assets				
Term deposits - current	11,000	4,000	11,000	4,000
Municipal Association Purchasing Scheme (MAPS) shares	254	10	254	10
Total other financial assets	11,254	4,010	11,254	4,010
Total financial assets	46,122	20,075	45,778	19,754

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

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
- Trust funds and deposits (Note 5.3)	2,005	1,578	2,005	1,578
- Grants (Note 3.4)	10,040	985	10,040	985
- Unearned income (Note 5.3)	2,891	2,201	2,891	2,201
Total restricted funds	14,936	4,764	14,936	4,764
Total unrestricted cash and cash equivalents	19,932	11,301	19,588	10,980

Intended allocations

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

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
- reserve funds allocated for specific future purposes (Note 9.1(b))	22,382	19,496	22,382	19,496
Total funds subject to intended allocations	22,382	19,496	22,382	19,496

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

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

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont'd)

5.1 Financial assets (cont'd)

(c) Trade and other receivables

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Rates and garbage debtors	1,185	1,833	1,185	1,833
Fire services property levy	172	224	172	224
Cemetery	49	42	49	42
Net GST receivable	384	544	384	544
Parking and animal infringement debtors	779	619	779	619
Less provision for doubtful debts - parking infringements	(340)	(203)	(340)	(203)
Interest on rates and garbage receivable and investments	44	55	44	55
Non statutory receivables				
Natural disaster reimbursements	-	472	-	472
Livestock Exchange	28	37	-	-
Other debtors	3,320	3,447	3,320	3,447
Less provision for doubtful debts - other debtors	(103)	(46)	(103)	(46)
Loans and advances to community organisations	-	4	-	4
Total trade and other receivables	5,518	7,028	5,490	6,991

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

(d) Ageing of Receivables

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

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current (not yet due)	2,581	3,625	2,553	3,599
Past due by up to 30 days	223	15	223	8
Past due between 31 and 180 days	544	314	544	310
Past due between 181 and 365 days	-	1	-	1
Past due by more than 1 year	-	5	-	5
Total trade and other receivables	3,348	3,960	3,320	3,923

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$128k (2020: \$806k) were impaired. The amount of the provision raised against these debtors was \$103k (2020: \$46k). In determining the value of the provision for doubtful debts, an expected credit loss model was used, incorporating a combination of historical trends, knowledge of individual issues and forward-looking expected losses. They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont'd)

5.2 Non-financial assets

(a) Inventories

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Inventories held for distribution	7	5	2	1
Total inventories	7	5	2	1

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

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Prepayments	1,178	426	1,178	426
Accrued income	26	-	26	-
Total other assets	1,204	426	1,204	426

(c) Intangible assets

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Landfill air space	2,562	2,501	2,562	2,501
Total intangible assets	2,562	2,501	2,562	2,501
	Landfill \$'000	Total \$'000	Landfill \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2020	3,510	2,273	3,510	2,273
Other additions	1,028	1,237	1,028	1,237
Balance at 1 July 2021	4,538	3,510	4,538	3,510
Accumulated amortisation and impairment				
Balance at 1 July 2020	1,009	904	1,009	904
Amortisation expense	967	105	967	105
Balance at 1 July 2021	1,976	1,009	1,976	1,009
Net book value at 30 June 2020	2,501	1,369	2,501	1,369
Net book value at 30 June 2021	2,562	2,501	2,562	2,501

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

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont'd)

5.3 Payables

(a) Trade and other payables

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Materials and contracts	5,805	5,018	5,785	5,009
Employee costs	468	1,293	467	1,293
Accrued expenses	654	484	651	482
June BAS Livestock	16	17	-	-
Total trade and other payables	6,943	6,812	6,903	6,784

(b) Trust funds and deposits

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fire services levy	528	468	528	468
Retention contract deposits	379	306	379	306
Refundable subdivision securities	616	501	616	501
Refundable relocate dwellings	-	31	-	31
Wangaratta Performing Arts Centre	442	190	442	190
Other	40	82	40	82
Total trust funds and deposits	2,005	1,578	2,005	1,578

(c) Unearned income

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Grants received in advance - operating	1,080	571	1,080	571
Grants received in advance - capital	8,960	414	8,960	414
Other (Funding held for Aged & Disability customers)	2,891	2,201	2,891	2,201
Total unearned income	12,931	3,186	12,931	3,186

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.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont'd)

5.4 Interest-bearing liabilities

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current				
Borrowings - secured	2,688	1,170	2,688	1,170
	2,688	1,170	2,688	1,170
Non-current				
Borrowings - secured	29,378	15,558	29,378	15,558
	29,378	15,558	29,378	15,558
Total	32,066	16,728	32,066	16,728

Borrowings are secured by general rates.

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

Not later than one year	2,688	1,170	2,688	1,170
Later than one year and not later than five years	17,418	11,733	17,418	11,733
Later than five years	11,960	3,825	11,960	3,825
	32,066	16,728	32,066	16,728

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

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

5.5 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2021			
Balance at beginning of the financial year	6,221	19,845	26,066
Additional provisions	2,200	5,420	7,620
Amounts used	(1,521)	(2,375)	(3,896)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(53)	(1,551)	(1,604)
Balance at the end of the financial year	6,847	21,339	28,186
2020			
Balance at beginning of the financial year	5,836	15,864	21,700
Additional provisions	2,989	6,670	9,659
Amounts used	(2,507)	-	(2,507)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(97)	(2,689)	(2,786)
Balance at the end of the financial year	6,221	19,845	26,066

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont'd)

5.5 Provisions (cont'd)

(a) Employee provisions

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current provisions expected to be wholly settled within 12 months				
Annual leave	2,260	2,259	2,239	2,246
Long service leave	247	338	247	337
Accumulated time	275	243	275	243
Time accrued	3	4	-	-
	2,785	2,844	2,761	2,826
Current provisions expected to be wholly settled after 12 months				
Annual leave	346	36	346	36
Long service leave	3,100	2,631	3,100	2,631
	3,446	2,667	3,446	2,667
Total current employee provisions	6,231	5,511	6,207	5,493
Non-current				
Long service leave	641	729	640	728
Total non-current employee provisions	641	729	640	728
Aggregate carrying amount of employee provisions:				
Current	6,231	5,511	6,207	5,493
Non-current	641	729	640	728
Total aggregate carrying amount of employee provisions	6,872	6,240	6,847	6,221

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at 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.

Key assumptions:

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
- discount rate	1.49%	0.87%	1.49%	0.87%
- inflation rate	1.50%	1.50%	1.50%	1.50%

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont'd)

5.5 Provisions (cont'd)

(b) Landfill restoration

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current	154	2,592	154	2,592
Non-current	21,185	17,253	21,185	17,253
	21,339	19,845	21,339	19,845

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

Key assumptions:

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
- discount rate	0.18% - 4.01%	0.43% - 3.28%	0.18% - 4.01%	0.43% - 3.28%
- index rate	2.39%	1.04%	2.39%	1.04%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2021

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Bank overdraft	400	400	400	400
Credit card facilities	213	213	213	213
Loans	32,066	16,728	32,066	16,728
Total facilities	32,679	17,341	32,679	17,341
Used facilities	32,091	16,754	32,091	16,754
Unused facilities	588	587	588	587

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont'd)

5.7 Commitments

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

	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
2021					
Operating					
Cleaning	210	105	-	-	315
Co Store Car Park	476	485	1,505	4,362	6,828
Environmental Health Services	115	115	-	-	230
Environmental Monitoring Bowser Landfill	25	-	-	-	25
Grit and Resilience	27	24	-	-	51
High Country Library Network	328	328	984	1,312	2,952
IT Licences	1,285	799	833	-	2,917
Payroll Software	41	41	-	-	82
Pound Services	175	88	-	-	263
Recycling Contract	1,440	-	-	-	1,440
Roads Condition Assessments	44	-	-	-	44
Security	96	96	-	-	192
Start Up Shake Up	40	3	-	-	43
Survey Services	26	26	26	-	78
Total	4,328	2,110	3,348	5,674	15,460
Capital					
Adventure playground and parkour play space	1,176	-	-	-	1,176
Bowser Cell Capping	147	-	-	-	147
Bryces Bridge Peipers Lane Whitfield	239	-	-	-	239
Construction of Fisher Lane	50	-	-	-	50
Construction of Waldara Park Path	134	-	-	-	134
Demolition, Removal & Disposal of Buildings & Swimming Pools - W	187	-	-	-	187
Eldorado Infrastructure upgrade	217	-	-	-	217
ICT Strategy	321	162	443	-	926
Lighting North Wangaratta Recreation Reserve	46	-	-	-	46
Major Patching Asphalt Works	40	-	-	-	40
Ned Kelly Glenrowan Project	250	-	-	-	250
Reconstruction of Sandford Road	394	-	310	-	704
Wangaratta Aerodrome - Fire Protection System	1,268	-	753	-	2,021
Wangaratta Clay Target Club Site Rehabilitation	1,113	-	-	-	1,113
Wareena Park Building Project	84	-	-	-	84
Wild Dog and Deer Fencing Materials	258	-	-	-	258
Wilson Road Levee upgrade	74	-	-	-	74
Total	5,998	162	1,506	-	7,666

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont'd)

5.7 Commitments

2020	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Recycling contract	996	996	-	-	1,992
Co Store car park licence	470	476	1,472	4,832	7,250
Pound Services	175	175	88	-	438
Interest on borrowings	499	465	1,688	102	2,754
Management of pools	207	-	-	-	207
Environmental Monitoring - Bowser Landfill	234	-	-	-	234
HVAC Services maintenance	107	-	-	-	107
Information Technology Licences	275	-	-	-	275
Security	95	95	95	-	285
Payroll Software	83	41	41	-	165
Cleaning	210	210	105	-	525
Environmental Health Services	115	115	115	-	344
MAV WorkCare Capital Recovery Contribution	33	33	33	33	132
Total	3,498	2,607	3,637	4,967	14,709
Capital					
WSAC aquatics	8,193	-	-	-	8,193
Railway precinct	4,168	-	-	-	4,168
Bank Stabilisation Hodgson Creek	684	-	-	-	684
Mitchell Avenue Reserve Children's Garden	575	-	-	-	575
Ely Street Drainage	64	-	-	-	64
Mason St Footpath	61	-	-	-	61
Wangaratta Airport Stage 1 & 2	304	-	-	-	304
Wangaratta Airport Hangar	352	-	-	-	352
Sinclair Lane Bridge Culvert	142	-	-	-	142
New Bridge Hodgson Creek	726	-	-	-	726
Cussack and Spearing Street Drainage	197	-	-	-	197
Pump track	236	-	-	-	236
Wareena Park Master Plans	35	-	-	-	35
Total	15,737	-	-	-	15,737

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont'd)

5.8 Leases

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

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

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

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

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

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

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

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

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

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

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-Use Assets

	Consolidated			
	\$'000	\$'000	\$'000	\$'000
	Property	Vehicles	Other, etc.	Total
Balance at 1 July 2019	-	-	-	-
Additions	115	1,018	-	1,133
Amortisation charge	(7)	(62)	-	(69)
Balance at 30 June 2020	108	956	-	1,064
Balance at 1 July 2020	108	956	-	1,064
Additions	-	-	-	-
Amortisation charge	(13)	(248)	-	(261)
Balance at 30 June 2021	95	708	-	803

	Council			
	\$'000	\$'000	\$'000	\$'000
	Property	Vehicles	Other, etc.	Total
Balance at 1 July 2019	-	-	-	-
Additions	-	1,018	-	1,018
Amortisation charge	-	(62)	-	(62)
Balance at 30 June 2020	-	956	-	956
Balance at 1 July 2020	-	956	-	956
Additions	-	-	-	-
Amortisation charge	-	(248)	-	(248)
Balance at 30 June 2021	-	708	-	708

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont'd)

5.8 Leases (cont'd)

Lease Liabilities

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows				
Less than one year	274	224	263	213
One to five years	581	994	494	895
Total undiscounted lease liabilities as at 30 June:	855	1,218	757	1,108
Lease liabilities included in the Balance Sheet at 30 June:				
Current	251	180	240	169
Non-current	572	887	485	788
Total lease liabilities	823	1,067	725	957

Short-term and low value leases

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

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Expenses relating to:				
Short-term leases	-	-	-	-
Leases of low value assets	253	124	253	115

Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Payable:				
Within one year	260	58	249	47
Later than one year but not later than five years	338	99	251	-
Total lease commitments	598	157	500	47

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at start of year	2,386	2,110	2,386	2,110
Cost of acquisition	-	-	-	-
Capitalised development costs (eg roads, drainage)	-	564	-	564
Less assets disposed	(859)	(1,414)	(859)	(1,414)
Less assets no longer held for sale	-	-	-	-
Assets transferred from IPP&E	-	1,126	-	1,126
Revaluation	131	-	131	-
Total non current assets classified as held for sale	1,658	2,386	1,658	2,386

At 30 June 2021 Non-Current Assets held for sale include industrial land \$845,780, the old Ovens College site of \$562,454 and Max Parkinson Lodge land, land improvement and buildings \$254,389.

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.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

Consolidated	At Fair Value 30 June 2020	Additions	Contributions	Found Assets	Revaluation	Depreciation	Disposal	Write-off	Transfers	Transfers WIP	At Fair Value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	90,747	147	-	12	16,645	(1,179)	-	-	(859)	3,216	108,728
Plant and equipment	12,534	-	-	259	293	(2,636)	(317)	-	-	3,281	13,414
Infrastructure	429,760	-	1,824	22	44,384	(12,623)	(123)	-	-	15,747	478,992
Work in progress	44,635	29,821	-	-	(156)	-	-	(2,481)	-	(26,037)	45,783
	577,676	29,969	1,824	293	61,166	(16,438)	(440)	(2,481)	(859)	(3,793)	646,917

Council	At Fair Value 30 June 2020	Additions	Contributions	Found Assets	Revaluation	Depreciation	Disposal	Write-off	Transfers	Transfers WIP	At Fair Value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	90,747	147	-	12	16,645	(1,179)	-	-	(859)	3,216	108,728
Plant and equipment	12,430	-	-	259	293	(2,610)	(317)	-	-	3,212	13,267
Infrastructure	429,760	-	1,824	22	44,385	(12,623)	(123)	-	-	15,747	478,993
Work in progress	44,635	29,821	-	-	(156)	-	-	(2,481)	-	(26,037)	45,783
	577,572	29,969	1,824	293	61,166	(16,412)	(440)	(2,481)	(859)	(3,862)	646,771

Summary of Work in Progress

Consolidated / Council	Opening WIP	Additions	Write-off	Transfers	Revaluation	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	7,489	5,720	(175)	(2,050)	-	10,984
Plant and equipment	1,016	2,596	-	(2,422)	-	1,190
Infrastructure	36,130	21,506	(2,307)	(21,564)	(156)	33,609
Total	44,635	29,821	(2,481)	(26,037)	(156)	45,783

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment (cont'd)

(a) Property

	Land - specialised	Land - non specialised	Land improvements	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Building improvements	Leasehold improvements	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	24,394	29,353	18,605	72,352	2,751	-	84,661	-	-	87,412	7,489	167,253
Accumulated depreciation at 1 July 2020	-	-	(12,791)	(12,791)	(2,374)	-	(53,852)	-	-	(56,226)	-	(69,017)
	24,394	29,353	5,814	59,561	377	-	30,809	-	-	31,186	7,489	98,236
Movements in fair value												
Additions	-	147	-	147	-	-	-	-	-	-	5,720	5,867
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Found Assets	-	-	-	-	-	-	12	-	-	12	-	12
Revaluation	(676)	7,055	1,178	7,556	-	-	8,393	-	-	8,393	-	15,948
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Assets Held for Sale	-	(859)	-	(859)	-	-	-	-	-	-	-	(859)
Write-off	-	-	-	-	-	-	-	-	-	-	(175)	(175)
Transfers WIP	36	-	2	39	-	-	3,177	-	-	3,177	(2,050)	1,165
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
	(640)	6,343	1,180	6,882	-	-	11,581	-	-	11,581	3,495	21,958
Movements in accumulated depreciation												
Depreciation and amortisation	-	-	(154)	(154)	(11)	-	(1,014)	-	-	(1,025)	-	(1,179)
Revaluation	-	-	695	695	1	-	-	-	-	1	-	696
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	541	541	(10)	-	(1,014)	-	-	(1,024)	-	(483)
At fair value 30 June 2021	23,754	35,696	19,785	79,234	2,751	-	96,243	-	-	98,993	10,984	189,211
Accumulated depreciation at 30 June 2021	-	-	(12,250)	(12,250)	(2,384)	-	(54,866)	-	-	(57,250)	-	(69,500)
	23,754	35,696	7,535	66,984	367	-	41,377	-	-	41,743	10,984	119,711

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment (cont'd)

(b) Plant and Equipment

Consolidated	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Art Collection	Total plant and equipment	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	21,858	1,613	4,505	1,435	1,733	31,144	1,016	32,160
Accumulated depreciation at 1 July 2020	(13,379)	(1,006)	(3,305)	(920)	-	(18,610)	-	(18,610)
	8,479	607	1,200	515	1,733	12,534	1,016	13,550
Movements in fair value								
Additions	-	-	-	-	-	-	2,596	2,596
Contributions	-	-	-	-	-	-	-	-
Found Assets	230	-	-	-	29	259	-	259
Revaluation	-	-	-	368	-	368	-	368
Disposal	(1,305)	-	-	(244)	-	(1,550)	-	(1,550)
Write-off	-	-	-	-	-	-	-	-
Transfers WIP	2,353	112	88	193	3	2,749	(2,422)	327
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
	1,278	112	88	317	32	1,827	174	2,000
Movements in accumulated depreciation								
Depreciation and amortisation	(2,055)	(77)	(384)	(120)	-	(2,636)	-	(2,636)
Revaluation	-	-	-	(75)	-	(75)	-	(75)
Accumulated depreciation of disposals	1,233	-	-	-	-	1,233	-	1,233
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
Transfers	533	(1)	-	-	-	532	-	532
	(289)	(78)	(384)	(195)	-	(946)	-	(946)
At fair value 30 June 2021	23,136	1,725	4,593	1,752	1,765	32,970	1,190	34,160
Accumulated depreciation at 30 June 2021	(13,668)	(1,084)	(3,689)	(1,116)	-	(19,556)	-	(19,556)
	9,468	641	904	636	1,765	13,414	1,190	14,604

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment (cont'd)

(b) Plant and Equipment (cont'd)

Council	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Art Collection	Total plant and equipment	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	21,725	1,613	4,505	1,435	1,733	31,011	1,016	32,027
Accumulated depreciation at 1 July 2020	(13,350)	(1,006)	(3,305)	(920)	-	(18,581)	-	(18,581)
	8,375	607	1,200	515	1,733	12,430	1,016	13,446
Movements in fair value								
Additions	-	-	-	-	-	-	2,596	2,596
Contributions	-	-	-	-	-	-	-	-
Found Assets	230	-	-	-	29	259	-	259
Revaluation	-	-	-	368	-	368	-	368
Disposal	(1,305)	-	-	(244)	-	(1,550)	-	(1,550)
Write-off	-	-	-	-	-	-	-	-
Transfers	2,284	112	88	193	3	2,680	(2,422)	258
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
	1,209	112	88	316	32	1,757	174	1,931
Movements in accumulated depreciation								
Depreciation and amortisation	(2,029)	(77)	(384)	(120)	-	(2,610)	-	(2,610)
Revaluation	-	-	-	(75)	-	(75)	-	(75)
Accumulated depreciation of disposals	1,233	-	-	-	-	1,233	-	1,233
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
Transfers	533	(1)	-	-	-	532	-	532
	(263)	(78)	(384)	(195)	-	(921)	-	(921)
At fair value 30 June 2021	22,934	1,725	4,593	1,752	1,765	32,768	1,190	33,958
Accumulated depreciation at 30 June 2021	(13,613)	(1,084)	(3,689)	(1,116)	-	(19,502)	-	(19,502)
	9,321	641	905	636	1,765	13,267	1,190	14,457

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment (cont'd)

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste Management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	432,059	91,437	25,972	57,896	40,302	17,894	9,105	6,729	3,501	53	36,130	721,078
Accumulated depreciation at 1 July 2020	(155,785)	(24,789)	(9,809)	(16,784)	(22,738)	(16,594)	(6,545)	(1,087)	(1,057)	-	-	(255,188)
	276,274	66,648	16,163	41,112	17,564	1,300	2,561	5,642	2,444	53	36,130	465,890
Movements in fair value												
Additions	-	-	-	-	-	-	-	-	-	-	21,506	21,506
Contributions	1,219	56	53	497	-	-	-	-	-	-	-	1,824
Found Assets	3	-	-	20	-	-	-	-	-	-	-	22
Revaluation	(35,632)	17,596	2,431	(5,533)	4,066	-	715	-	-	-	(156)	(16,512)
Disposal	(200)	-	(1)	(42)	-	-	-	-	-	-	-	(243)
Write-off	-	-	-	-	-	-	-	-	-	-	(2,307)	(2,307)
Transfers	8,000	410	409	1,044	399	3,188	2,242	-	54	-	(21,564)	(5,817)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
	(26,610)	18,062	2,891	(4,014)	4,465	3,188	2,956	-	54	-	(2,521)	(1,527)
Movements in accumulated depreciation												
Depreciation and amortisation	(8,419)	(1,035)	(763)	(876)	(625)	(300)	(421)	(135)	(45)	(3)	-	(12,623)
Revaluation	63,203	962	(1,949)	1,425	(2,239)	(2)	(657)	(2)	0	-	-	60,741
Accumulated depreciation of disposals	94	-	5	22	-	-	-	-	-	-	-	121
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
	54,878	(73)	(2,707)	571	(2,864)	(302)	(1,078)	(137)	(45)	(3)	-	48,239
At fair value 30 June 2021	405,449	109,499	28,864	53,881	44,767	21,082	12,062	6,729	3,555	53	33,609	719,551
Accumulated depreciation at 30 June 2021	(100,907)	(24,862)	(12,516)	(16,214)	(25,602)	(16,896)	(7,623)	(1,224)	(1,102)	(3)	-	(206,949)
	304,542	84,637	16,347	37,668	19,166	4,186	4,439	5,505	2,453	49	33,609	512,602

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment (cont'd)

Acquisition

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

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

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

	Depreciation Period	Threshold Limit
<i>Asset recognition thresholds and depreciation periods</i>		\$'000
Property		
Land		
land improvements	20-90 years	5
land fill assets	1-11 years	1
Buildings		
Plant and Equipment		
plant, machinery and equipment	5-20 years	2
fixtures, fittings and furniture	2-33 years	2
computers and telecommunications	2-33 years	2
library books	6-12 years	Nil
Infrastructure		
road pavements and seals	80 years	10
road formation	200 years	10
road kerb, channel and minor culverts	110 years	10
bridges	20-80 years	10
footpaths	10-110 years	5
bikepaths	15-20 years	3
drainage	100 years	5
recreational, leisure and community facilities	10-100 years	5
parks, open space and streetscapes	10-100 years	5
waste management	1-11 years	5
off street car parks	80 years	5
aerodromes	80 years	5
other infrastructure	30 years	5
Intangibles	3 years	3-8

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment (cont'd)

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.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 5 to 40 year period.

Valuation of land and buildings

Valuation of land and land improvements were undertaken in 2021 by a qualified independent valuer Martin Burns of Liquid Pacific Holding Pty Ltd. 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.

Valuation of Buildings was last undertaken in 2017 by a qualified independent valuer Valpac Pty Ltd. A formal revaluation was underway at balance date. Management have undertaken a fair value assessment and determined a managerial revaluation using the building indices was indicated. A full revaluation will be effected in 2021/22.

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

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

The date of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year for Council's building assets, this valuation was based on the building price index, a full revaluation of these assets will be conducted in 2021/22.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

Council	Level 1	Level2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Land	-	35,696	-	Jun-21
Specialised land	-	-	23,754	Jun-21
Land Improvements	-	-	7,535	Jun-21
Heritage Buildings	-	-	367	Jun-17
Buildings	-	-	41,377	Jun-17
Total	-	35,696	73,032	

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment (cont'd)

Valuation of infrastructure

Valuation of infrastructure assets (excluding aerodromes and waste management) has been undertaken in 2021 by Jenny Hart, Asset Planning Coordinator, BGeom (University Melbourne); BSc (Melbourne University) , MSc (Ohio State University).

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 2021 are as follows:

Council	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Roads	-	-	304,542	May-21
Bridges	-	-	84,637	May-21
Footpaths and cycleways	-	-	16,348	May-21
Drainage	-	-	37,668	May-21
Recreational, leisure and community facilities	-	-	19,166	May-21
Waste management	-	-	4,186	Jun-17
Parks, open space and streetscapes	-	-	4,439	May-21
Aerodromes	-	-	5,505	Jun-19
Off Street Car Parks	-	-	2,453	May-21
Other infrastructure	-	-	49	May-21
Total	-	-	478,993	

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 85% and 100%. 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 and \$16 per square metre.

Non-specialised and Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$75 to \$4,500 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 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 10 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.

Reconciliation of specialised land

	2021	2020
	\$'000	\$'000
Land under roads	23,754	24,394
Total specialised land	23,754	24,394

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

6.3 Investments in subsidiaries

Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2021, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Entities consolidated into Council include:
Wangaratta Livestock Exchange Pty Ltd

Committees of management

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

Subsidiaries

Wangaratta Livestock Exchange

Background

On 1 August 2018, the operations of the Saleyards was taken over by Wangaratta Livestock Exchange Pty Ltd (WLE). WLE manages the Wangaratta Saleyards on the terms set out in a Management Service Agreement between Council and the WLE. WLE operates the Saleyards as a going concern for the purpose of providing livestock auction facilities and related services.

Summarised financial information

Summarised statement of comprehensive income

Total income

Total expenses

Total comprehensive result

Summarised balance sheet

Current assets

Non-current assets

Total assets

Current liabilities

Non-current liabilities

Total liabilities

Net Assets

Summarised statement of cash flows

Net cash provided by / (used in) operating activities

Net cash provided by / (used in) investing activities

Net cash provided by / (used in) financing activities

Net increase / (decrease) in cash and cash equivalents

	2021 \$'000	2020 \$'000
Total income	477	519
Total expenses	430	445
Total comprehensive result	47	74
Current assets	378	362
Non-current assets	241	211
Total assets	619	573
Current liabilities	75	55
Non-current liabilities	89	100
Total liabilities	164	155
Net Assets	455	418
Net cash provided by / (used in) operating activities	114	83
Net cash provided by / (used in) investing activities	(69)	(74)
Net cash provided by / (used in) financing activities	(22)	(11)
Net increase / (decrease) in cash and cash equivalents	23	(2)

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

The Rural City of Wangaratta is the parent entity.

Subsidiaries

Interests in subsidiaries 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	1. Dean Rees (Mayor)
	2. Harry Bussell (Deputy Mayor from September 2020)
	3. Dave Fuller
	4. Harvey Benton
	5. Ashlee Fitzpatrick
	6. Irene Grant
	7. Jack Herry
	8. Ken Clarke (Outgoing Councillor - September 2020)
	9. Mark Currie (Outgoing Deputy Mayor - September 2020)
Executive Management	1. Brendan McGrath - Chief Executive Officer
	2. Marcus Goonan - Director - Infrastructure (from March 2021)
	3. Alan Clark - Director - Infrastructure (to March 2021)
	4. Jaime Chubb - Director Community Wellbeing
	5. Sarah Brindley - Director Corporate Services
	6. Stephen Swart - Director Development Services

Total Number of Councillors

Total of Chief Executive Officer and other Key Management Personnel

Total Number of Key Management Personnel

2021	2020
No.	No.
9	7
6	5
15	12

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits
Long-term benefits
Post employment benefits
Termination benefits
Total

2021	2020
\$'000	\$'000
1,413	1,267
42	23
98	84
7	-
1,560	1,374

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

\$0 - \$9,999
\$10,000 - \$19,999
\$20,000 - \$29,999
\$30,000 - \$39,999
\$80,000 - \$89,999
\$100,000 - \$109,999
\$170,000 - \$179,999
\$180,000 - \$189,999
\$190,000 - \$199,999
\$200,000 - \$209,999
\$210,000 - \$219,999
\$280,000 - \$299,999
\$310,000 - \$319,999

2021	2020
No.	No.
2	-
2	-
3	4
1	2
1	-
-	1
1	-
-	1
-	2
4	-
-	1
-	1
1	-
15	12

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 7 People and relationships (cont'd)

7.1 Council and key management remuneration (cont'd)

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

The number of Senior Officers are shown below in their relevant income bands:

Income Range:

\$151,000 - \$159,999

\$160,000 - \$169,999

\$180,000 - \$189,999

2021	2020
No.	No.
2	2
1	-
1	-
4	2

2021	2020
\$'000	\$'000
657	306

Total Remuneration for the reporting year for Senior Officers included above, amounted to:

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

1. Contributions paid to Tourism North East \$174,725 (2019/20 \$158,773).
2. Contributions and fees paid to LGPro Board \$43,211 (2019/20 \$41,340).
3. Contribution and fees paid to Alpine Shire Council \$348,562 (2019/20 \$363,050). A key management person has a family member in key management position at Alpine Shire.
4. Contributions and fees paid to Springhurst Hall & Recreation Reserve Committee \$3,026 (2019/20 Nil).
5. Fees paid to Business Wangaratta \$165 (2019/20 Nil).
6. Contribution and fees paid to Community Accessibility \$64,111 (2019/20 \$98,702). A key management person is in management position at the related party.
7. Contributions and fees paid to Wangaratta Farmers Markets Inc \$11,000 (2019/20 Nil). A key management person is a member of the Committee of Management.

All purchases were at arms length and were in the normal course of Council's operations. Where not stated a key management person was a board member as a result of their position at Council.

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(d) Commitments to/from related parties

Council has no outstanding commitments to/from other related parties.

Wangaratta Rural City Council

Financial Report 2020/2021

Notes to the Financial Report

For the Year Ended 30 June 2021

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

A contingent asset is a possible asset whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Council and the inflow of economic benefits is probable but not virtually certain.

Developer Contribution Plans (DCP's)

On 17 October 2019 the Minister for Planning approved the Wangaratta North-West Growth Area and Wangaratta South Growth Area DCP's. A DCP imposes a binding obligation on Council to provide the infrastructure set out in the DCP and also allows for the collection of levies (charges) on the residential and commercial developable areas. The future inflow of levies for the DCP's is expected to be \$30.7m and \$6.8m for the North-West and South Growth Areas DCP's respectively.

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Not later than one year	386	338	386	338
Later than one year and not later than five years	448	437	448	437
Later than five years	448	475	448	475
	1,282	1,250	1,282	1,250

(b) Contingent 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 liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Council. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured.

When Council has a present obligation, an outflow of economic resources is assessed as probable and the Group can reliably measure the obligation, a provision is recognised.

Superannuation

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

Future superannuation contributions

There were no contributions outstanding and no loans to or from the above schemes as at 30 June 2021

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years. No such shortfall exists as at 30 June 2021.

MAV Workcare

In November 2017, the Victorian WorkCover Authority (the Authority) granted the Municipal Association of Victoria (MAV) a three-year self-insurance licence allowing it to provide workers' compensation insurance to Victorian councils. When the MAV WorkCare Scheme commenced, there were 31 inaugural members, including the MAV. In accordance with the Authority's decision not to renew the MAV's self-insurance licence, the MAV WorkCare Scheme ceased operation on 30 June 2021. The MAV is continuing to support the orderly transition of claims management responsibilities to the Authority. Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme participation agreement stated that each participant would remain liable to make further contributions to the Scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability would continue whether or not the participant remained a participant in future insurance years. The net financial impact on Council as a result of the cessation of the MAV WorkCare Scheme for the 2020-21 financial year is yet to be determined. Any obligation is dependent upon the Authority's initial actuarial assessment of the tail claims liabilities of the MAV WorkCare Scheme. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the MAV WorkCare Scheme. During the liability period, adjustment payments may be required (or received) by Council. The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by the Authority.

Wangaratta Rural City Council

Financial Report 2020/2021

Notes to the Financial Report

For the Year Ended 30 June 2021

Note 8 Managing uncertainties (cont'd)

8.1 Contingent assets and liabilities (cont'd)

(c) Guarantees for loans to other entities

Council has AS \$5,000 bank guarantee with the Department of Natural Resources & Energy.

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.

(d) Development Contribution Plans (DCPs)

On 17 October 2019 the Minister for Planning approved the Wangaratta North-West Growth Area and Wangaratta South Growth Area DCPs. A DCP imposes a binding obligation on Council to provide the infrastructure set out in the DCP. It also allows for the collection of levies (referred to disclosure in contingent assets). The approved DCPs impose an obligation on Council to construct infrastructure of \$35.2m and \$6.6m for the North-West and South Growth Area DCPs respectively. Council is required to submit an annual return to the Minister for Planning and the 2019/20 return to demonstrate the DCP funds expended. DCP funds expended up to 30 June 2021 are \$7,604,491.05 & \$2,706.25 on the North-West DCP & South DCP respectively. At 30 June 2021 Council has an obligation to construct infrastructure of \$36.9m and \$6.9m for the North-West and South Growth Area DCPs respectively.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

(c) Credit risk

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

- observes VAGO financial performance indicators in relation to low risk liquidity targets;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.25% and -0.25% in market interest rates (AUD) from year-end rates of 0.85%.

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.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

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

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

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

Impairment of assets

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

8.5 Events occurring after balance date

A state of emergency has been in place in Victoria since March 2020 which has been extended until 23 September 2021. Restricted Activity Directives have been in place in some form since balance date, as part of the State Government's continued measures to reduce the spread of COVID-19 and emerging variants. While the 2021/22 budget assumed a level of continued impact to operations as a result of the pandemic, it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic and emerging variants after reporting date. Actual economic events and conditions in the future may be materially different from those estimated by Council at balance date.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

Consolidated

2021

Property

Land and land improvements

Buildings

Plant & Equipment

Library books

Art Collection

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Recreational. Leisure and community facilities

Parks, open space and streetscapes

Aerodromes

Offstreet car parks

Total asset revaluation reserves

2020

Property

Land and land improvements

Buildings

Plant & Equipment

Library books

Art Collection

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Recreational. Leisure and community facilities

Parks, open space and streetscapes

Aerodromes

Offstreet car parks

Total asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2021			
Property			
Land and land improvements	24,934	8,363	33,297
Buildings	2,131	8,176	10,307
	27,065	16,539	43,604
Plant & Equipment			
Library books	-	293	293
Art Collection	475	(8)	467
	475	284	759
Infrastructure			
Roads	236,788	28,793	265,581
Bridges	55,185	18,559	73,744
Footpaths and cycleways	4,603	494	5,097
Drainage	24,892	(3,902)	20,990
Recreational. Leisure and community facilities	125	830	955
Parks, open space and streetscapes	2,365	(418)	1,947
Aerodromes	5,300	(2)	5,298
Offstreet car parks	1,888	(11)	1,877
	331,146	44,343	375,489
Total asset revaluation reserves	358,686	61,166	419,852
2020			
Property			
Land and land improvements	24,936	(2)	24,934
Buildings	2,131	-	2,131
	27,067	(2)	27,065
Plant & Equipment			
Library books	29	(29)	-
Art Collection	239	236	475
	268	207	475
Infrastructure			
Roads	236,768	20	236,788
Bridges	55,185	-	55,185
Footpaths and cycleways	4,603	-	4,603
Drainage	24,789	103	24,892
Recreational. Leisure and community facilities	125	-	125
Parks, open space and streetscapes	2,365	-	2,365
Aerodromes	5,300	-	5,300
Offstreet car parks	1,888	-	1,888
	331,023	123	331,146
Total asset revaluation reserves	358,358	328	358,686

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

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 9 Other matters (cont'd)

9.1 Reserves (cont'd)

(b) Other reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2021				
Cemetery	59	89	(27)	122
Loans	839	-	(839)	0
Developers' contributions	90	-	-	90
Developers' contribution for recreation	79	296	-	375
CSNE integration	135	-	-	135
HACC	435	-	(291)	144
Industrial land	(496)	1,208	(109)	603
Performing arts centre	113	41	(155)	(1)
Replacement of plant	3,450	2,298	(1,205)	4,543
Replacement of plant - CSNE	4	-	-	4
Regional playground	1	-	(1)	-
Waste and Landfill	13,745	9,765	(7,205)	16,305
Livestock selling complex	90	-	(90)	-
Unfunded superannuation	610	-	(610)	-
Municipal Fire & Emergency Mgt Resourcing	49	-	(49)	-
North Wangaratta Recreation Reserve	147	-	(85)	62
Wangaratta Showgrounds	33	-	(33)	-
WISAC	112	-	(112)	-
Total Other reserves	19,496	13,697	(10,810)	22,382
2020				
Cemetery	37	22	-	59
Loans	839	-	-	839
Developers' contributions	90	-	-	90
Developers' contribution for recreation	79	-	-	79
CSNE integration	135	-	-	135
HACC	147	291	(3)	435
Industrial land	(605)	109	-	(496)
Performing arts centre	7	106	-	113
Replacement of plant	3,449	1,567	(1,567)	3,450
Replacement of plant - CSNE	4	-	-	4
Regional playground	1	-	-	1
Waste and Landfill	6,663	10,533	(3,451)	13,745
Livestock selling complex	90	-	-	90
Unfunded superannuation	610	-	-	610
Municipal Fire & Emergency Mgt Resourcing	125	-	(76)	49
North Wangaratta Recreation Reserve	240	-	(93)	147
Wangaratta Showgrounds	33	-	-	33
WISAC	123	-	(11)	112
Total Other reserves	12,067	12,628	(5,201)	19,496

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 9 Other matters (cont'd)

9.1 Reserves (cont'd)

(b) Other reserves (cont'd)

The cemetery reserve exists to support future operating requirements and capital improvements at the Wangaratta Cemetery.

The loans reserve was previously used to fund future principle repayments of an interest only loan via the Local Government Funding Vehicle. Council has not allocated funds to the loans reserve account for a number of years. Council's budget and long-term financial plan appropriately identify and plan for cash outflows of principle repayments and the reserve is not required.

The reserves for developers contributions will be utilised to develop recreation and other facilities for residents in the respective development areas. Developers contributions for recreation may also be used to fund municipal recreation facilities.

The CSNE reserve supported the integration of Community Support North East into Council operations. There is no intended future allocation for this reserve and it is proposed to be reduced to nil in 2021/22. In doing so Council will verify that no statutory obligation exists in relation to this reserve that would prevent its reduction to nil.

The HACC reserve exists to support the delivery of home and community care services.

The industrial land reserve exists to support the future acquisition and development of industrial land across the municipality.

The Performing Arts Centre reserve existed to support programming at the Wangaratta Performing Arts and Convention Centre funded by sponsorship. This reserve is no longer required under the Council Reserve Policy.

The Waste and Landfill reserve is for future capital works and rehabilitation of landfill sites.

The Livestock Reserve was created to fund the incorporation costs of the Wangaratta Livestock Exchange Pty Ltd. The reserve is no longer required so has been reduced to nil.

The Unfunded Superannuation reserve was for possible future defined benefit superannuation calls. Vision Super are required to make a call when the VBI of the fund is less than 97% and initiate a plan to return the VBI to >97% within three years. In the event that this occurs Council will be required to reprioritise expenditure in the long-term financial plan to accommodate the required contribution. The reserve is not required under Councils Reserve Policy.

The Municipal Fire and Emergency Management Resourcing Reserve was for the fire and emergency management resourcing funded by the State Government. This program is still in place however income and expenditure is managed through the long-term financial plan and the reserve is not required.

The North Wangaratta Recreation Reserve reserve is for the remediation of the lead contamination at the site. Works will be completed in 2021/22 and the reserve reduced to nil.

The Wangaratta Showgrounds Reserve existed to support the former Committee of Management and is no longer required after the dissolution of the committee in December 2017.

The WISAC reserve was funded from the YMCA contract profit share arrangement and was intended to fund capital improvements and upgrades to the facility. Council completed a significant upgrades to the facility in 2020/21 and took over the running of the centre. The reserve is therefore no longer required as no profit share arrangement exists and renewal and upgrades will be managed through Council's long-term financial plan.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Surplus/(deficit) for the year	4,940	6,236	4,903	6,173
Depreciation and amortisation	17,667	15,206	17,627	15,175
Profit/(loss) on disposal of property, infrastructure, plant and equipment	394	(289)	394	(289)
Finance costs	693	385	683	385
Fair value adjustments	(1,769)	(2,689)	(1,769)	(2,689)
Recognition of additional landfill provision - closed sites	4,449	5,432	4,449	5,432
Impacts of asset revaluations	-	196	-	196
Assets written-off / impaired	2,514	1,643	2,514	1,643
Contributions - Non-monetary assets	(1,825)	(2,439)	(1,825)	(2,439)
Found Assets	(293)	(648)	(293)	(648)
Bad Debts	210	-	210	-
			-	
Change in assets and liabilities:				
(Increase)/decrease in trade and other receivables	1,510	98	1,502	98
(Increase)/decrease in other assets	(777)	215	(777)	215
(Increase)/decrease in inventories	(1)	(5)	-	(1)
Increase/(decrease) in trade and other payables	131	219	119	237
Increase/(decrease) in trust funds and deposits	427	90	427	90
Increase/(decrease) in unearned income	9,745	1,559	9,745	1,559
Increase/(decrease) in provisions	2,127	389	2,120	385
Increase/(decrease) in Intangibles	61	-	61	-
Net cash provided by/(used in) operating activities	40,202	25,599	40,088	25,523

9.3 Superannuation

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

Accumulation

Council makes both employer and employee contributions to The Fund's accumulation category, Vision MySuper/Vision Super Saver, on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, 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 [Employer name] 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 Employee Benefits.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

- Net investment returns 5.6% pa
- Salary information 2.5% pa for two years and 2.75% pa thereafter
- Price inflation (CPI) 2.0% pa.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the estimated VBI at 30 June 2021 was 109.7%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 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.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

9.3 Superannuation (cont'd)

Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2021 triennial valuation.

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

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 2020 triennial actuarial investigation surplus amounts

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

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

	2020	2019
	(Triennial)	(Interim)
	\$m	\$m
- A VBI Surplus	100.0	151.3
- A total service liability surplus	200.0	233.4
- A discounted accrued benefits surplus	217.8	256.7

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 2020.

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 2020.

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 2020.

Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Type of Scheme	Rate	2021	2020
			\$'000	\$'000
Vision super	Defined benefit	9.50%	57	65
Vision super	Accumulation fund	9.50%	2,091	1,996

Council made no unfunded liability payments to Vision Super in the 2020/21 Financial Year.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$57k.

Wangaratta Rural City Council
Financial Report 2020/2021
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 10 Change in accounting policy

The following standards become applicable to Council from 1 July 2020:

- AASB 1059 - Service Concession Arrangements
- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework

These standards are expected to have no impact on Council.

