



Rural City of
Wangaratta

Annual Report

2022-23





Welcome

Welcome to the Rural City of Wangaratta Annual Report 2022-23!

The *Local Government Act 2020* (Vic) and *Local Government (Planning and Reporting) Regulations 2020* (Vic) require Victorian councils to prepare an annual report in respect to each financial year.

This Annual Report details our performance against the Council Plan 2021-25, provides a description of our operations, Corporate Management Team and the wider demographics of our staff. It also describes our elected representatives, and includes our performance against the Governance & Management Checklist, Performance Statement and our Financial Report for the 2022-23 year.

Acknowledgement of traditional owners

The Rural City of Wangaratta acknowledges the traditional custodians of the lands, on which the Rural City of Wangaratta communities reside. We pay our respect to their Elders past, present and emerging, and celebrate and respect their continuing cultures. We are committed to walking beside all traditional owners as we move toward reconciliation.

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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

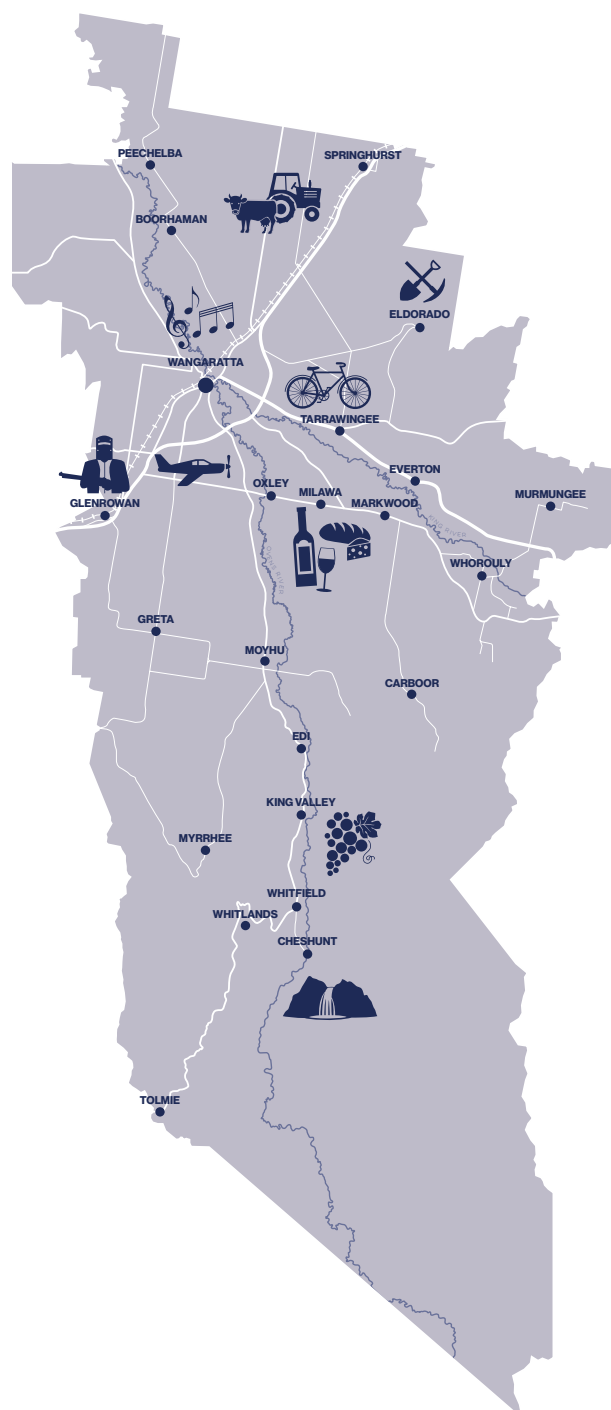
We will value the contribution and individuality of others. We aim to achieve an honest and healthy working relationship with all our citizens.

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

29,808

Area

3,646.43 sq km

707.5km

sealed road

1,279.5km

unsealed road



277km

of walking/
cycling track

22.67k

tonnes of
waste is collected
kerbside annually



14.9°C

Average
temperature



605mm

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

On behalf of my fellow Councillors and the community, I am pleased to present the Rural City of Wangaratta's 2022/23 Annual Report.

I am proud of our Council and staff that have maintained service delivery, operational management, and support for our community against a backdrop of inflation, socio-economic and geopolitical challenges.

The weather events that we faced in the last year also resulted in significant impact to roads and infrastructure. The Field Services team has worked hard to repair the damage and respond to customer requests, and this work continues.

Our community shines in times of adversity. With collaboration we have redefined our resilience and ability to withstand volatility. Our communities provide clear direction for the priorities of the Rural City of Wangaratta, seeking the sustainable growth of our built and natural assets, a connected and inclusive community, and a leadership that advocates for its people.

Council has continued to support the building of community connections and pathways for inclusion as the Grit and Resilience Program transitioned to a new model; bringing together community and other organisations to identify local needs and working toward improved community mental health and wellbeing.

Our ongoing commitment to enhancing the social, cultural, and environmental experiences of residents is seen through the \$140,000 of community grant funding awarded to 23 community led projects. A further \$230,000 of community sponsorship was awarded to 15 local organisations. Supporting valuable opportunities for social connection is a cornerstone of Council operations, and seeing the impact these organisations bring to our communities is one of the highlights of my role.

This year we continued to prioritise environmental sustainability and climate change preparedness. We reduced the percentage of kerbside waste going into landfill by over 60%, through recycling and with our organic processing plant now in full operation. We also signed the Victorian Electricity Collaboration Agreement so that all Council's electricity will be from renewable sources from July 2023 onwards.

Council continues to advocate for enhanced cultural services within the municipality, this year adopting a business case and concept design for the Creative Precinct Masterplan, setting out a bold, inspiring vision for the joint future of the Art Gallery, and Performing Arts and Conference Centre. This provides a pathway to see Wangaratta set apart from other regional destinations with its unique programming, collection, and landmark buildings.

Council also boldly implemented our marketing strategy this year, with the Rural City of Wangaratta placed in metropolitan settings, reaching hundreds of thousands of people through the 'Southern Cross Station Domination' and positioning us as a modern and vibrant destination of choice. As a result, we have seen increased visitation, bringing opportunities for economic growth, and driving awareness and engagement with the region.

Some exciting capital works projects made great strides last year. Huge progress was made on the construction of the Ned Kelly Discovery Hub in Glenrowan. The world-class visitor attraction will help visitors understand how the story of Ned Kelly's Last Stand contributes to the broader Australian narrative, and to reflect on how our own stories, histories and cultures have been shaped and informed by myth and legend.

The WSAC Expansion project also saw the launch of the upgraded gym, which has received much positive feedback from members and broader community. The gym has nearly doubled in size with new equipment and functional fitness space. Construction of the Stadium is well underway, the new competition-level Show Court and two additional multi-purpose courts will open to the public next year.

The delivery of these, and many other exciting and worthwhile projects, is a testament to the tenacity, hard work and unwavering advocacy of my fellow Councillors, and Chief Executive Officer, Brendan McGrath, who I am very pleased Councillors re-appointed for a further five-year term, and the rest of the Rural City of Wangaratta team.

I also thank our community for their continued optimism and confidence in our future. Our joint commitment to a busier, brighter, and better Rural City of Wangaratta will ensure our growth for years to come.

I look forward with confidence in the prosperous future of our municipality.

Cr Dean Rees
Mayor



CEO's Message

I'm proud to present the annual report for the 2022/2023 financial year. This year has seen some long-term projects come to fruition and important planning established for the future of our growing and evolving community.

Our community's wellbeing has been a priority for Council in the post pandemic environment. The successful delivery of the strategic actions in our Public Health and Wellbeing Plan meant we worked towards achieving the vision of everyone in the municipality enjoying the highest attainable standards of health, wellbeing, and participation at every age.

We have made significant progress on implementing the transformation plan for the Wangaratta Sports and Aquatic Centre. In addition to the upgraded facilities and revamped gym, we simplified the fee structure and increased concession rates to ensure the facilities stay inclusive for all in our community, and restructured the team to ensure it is set up to deliver continuing improvements to achieve ongoing success.

As part of its commitment to addressing housing challenges in the local community, Council appointed a preferred supplier to develop part of the former Ovens College site. This provides an opportunity to build social, affordable, and key worker housing. This is considered a best practice approach for achieving a functional, sustainable, and inspiring development. In February this year Council facilitated a forum with agencies involved in the homeless and housing space to understand the key issues and how to best support our community. As an outcome of this we have appointed a Social Housing Planner to develop our housing strategy: a collaborative, long-term approach to building a thriving community.

I would like to thank the Federal Government for their continuous support, this year Council successfully received over \$2 million in Commonwealth Grant Funding as part of the Black Summer Bushfire Recovery Grants. This was invested in projects that enhance community infrastructure within the Parklands Precinct (Wangaratta Showgrounds) to provide enhanced emergency relief facilities and improve community resilience during, and in the wake of emergency events. These important measures increase our preparedness for ongoing weather events as a result of climate change.

Council met all its obligations under the Local Government Act 2020 with all the required policies and undertakings in place. This included adopting the 21/22 Annual Report and 22/23 Budget, adopting the Election Period Policy in readiness for future Councillor elections, and completing scheduled reviews of Major Council Policies.

Internally, Council has continued the delivery of its Information & Communication Technology Strategy. Including successfully embedding the new internal customer service portal, and launching an asset work order request management tool, and enhanced financial management processes. These structures enhance governance controls and efficiency, making it easier to work for our community.

I would like to thank the Mayor and Councillors for my recent re-appointment and very much look forward to leading the council for another term as CEO. I acknowledge the ongoing commitment of our Mayor, Councillors, staff and volunteers and thank them all for their ongoing dedication and support of the Rural City of Wangaratta community.

Brendan McGrath
Chief Executive Officer

Financial Summary

Council's financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this Report. Council manages over \$765 million in assets comprising of land, building and other infrastructure assets such as roads, footpaths, bridges, drainage and bike paths.

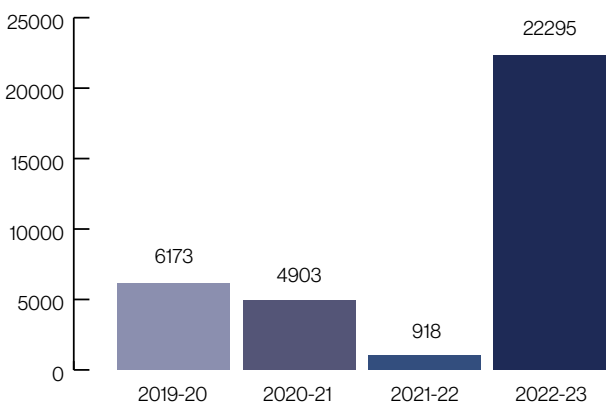
Operating Position

Council achieved a surplus of \$22.295 million in 2022/23. The adjusted underlying surplus of Council, after removing non-recurrent capital grants, monetary and non-monetary capital contributions is \$6.574 million.

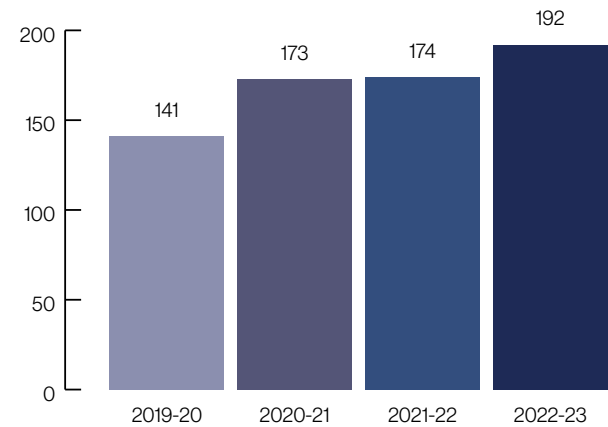
Liquidity

Cash has increased by 75 percent from the prior year. Other financial assets have decreased by 84 percent as less cash was invested on a longer-term basis due to uncertainty on timing of spend on capital works projects carried over from 2021/22. 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 192 percent is an indicator of satisfactory financial position and is in line with Council's target of greater than 100 percent.

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.

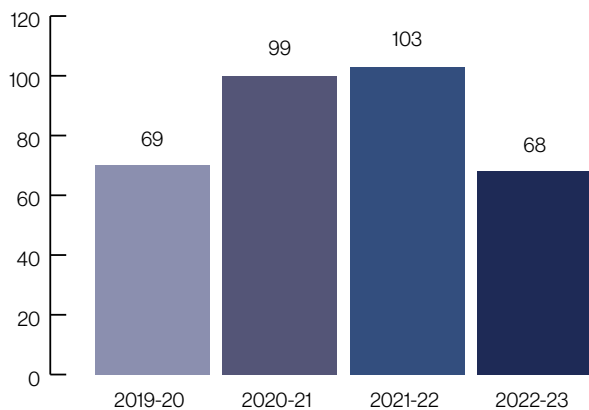
At the end of the 2022/2023 financial year, Council's Debt Ratio level, which is measured by comparing non-current liabilities to own sourced revenue was 68 percent. While this is within VAGO's high risk profile for indebtedness, Council's debt ratio is projected to improve from 2022/2023 onwards as 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 133 percent, which is above the expected target band of 80-110 per cent. This is mostly a result of lower than expected depreciation.

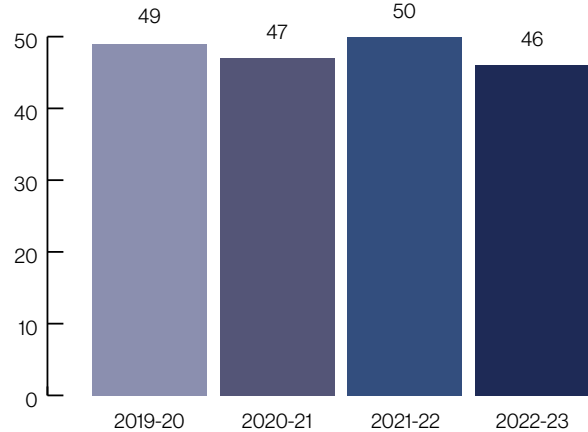
Stability And Efficiency

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 percent for the 2022/2023 year, which is within the expected target band of 40-80 percent. The average rate per property assessment was \$1,886.50.

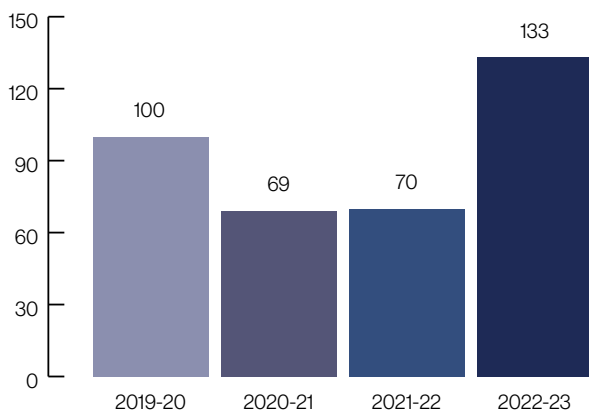
Debt Ratio (%)



Rate Concentration (%)



Asset Renewal Ratio (%)



Financial Summary

Economic Factors

Rate Capping

The Victorian Government imposed a rate cap on all Victorian councils of 1.75 percent for the 2022/2023 year. Council did not seek a variation to the rate cap.

Labour Cost

Salary and Wage rate increases for the 2022/2023 year were 2 per cent, being a good faith adjustment in January 2023 while negotiations on the EBA were still to take place.

Councillor Allowances

Under the Local Government Act 2020, Councillor allowances are determined by the Victorian Independent Remuneration Tribunal at the request of the Minister for Local Government.

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.

On 8 December 2022, the Tribunal made the Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Annual Adjustment Determination 2022. The Tribunal determined a 1.5% increase to the values of the base allowances payable to Mayors, Deputy Mayors and Councillors, effective from 18 December 2022.

At the end of 2022/2023, the Mayoral allowance was \$100,637 per annum, the Deputy Mayoral allowance was \$50,319 and the Councillor allowance was \$31,353 per annum (plus an amount equivalent to the superannuation guarantee of 10.5 per cent).

The table below contains a summary of the total allowance, including the amount equivalent to the superannuation guarantee of 10.5%, paid to Councillors during the financial year.

Councillor	Allowance (\$)
Cr Dean Rees (Mayor)	98,129
Cr Harry Bussell (Deputy Mayor)	49,065
Cr David Fuller	30,561
Cr Ashlee Fitzpatrick	30,561
Cr Harvey Benton	30,561
Cr Jack Herry	30,561
Cr Irene Grant	30,561
Total	299,999

Councillor Expenses

In accordance with section 40 of the Local Government Act 2020, Council is required to reimburse a Councillor for expenses incurred in the performance of their 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: • Childcare & Carer Expenses

- Conference and Training Expenses;
- Information & Communication Technology Expenses;
- Travel Expenses;
- Car Mileage Expenses

All expenses are related to the 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	Total
Childcare and Carer Expenses	0	0	0	0	0	0	0	0
Conference and Training Expenses	380	587	5,962	151	300	243	157	7,780
Information & Communication Technology Expenses	216	216	216	216	216	216	216	1,512
Travel Expenses	0	151	423	14,923	294	100	0	15,891
Car Mileage Expenses	0	0	17,956	0	0	302	306	18,564
Total	596	954	24,557	15,290	810	861	679	43,747

Our Councillors

The council was elected to provide leadership for the good governance of the municipal district and the local community. In 2020, the Rural City of Wangaratta community elected this council for a four-year term. The municipality is divided into 4 Wards; the City, North, South and Warby Wards. The City Ward is represented by four councillors and the North, South and Warby Wards by one councillor each. The seven councillors are the elected representatives of all residents and ratepayers across the City. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. The councillors are listed below. Councillor Dean Rees was re-elected Mayor on 28 November 2022 for a one-year term, with Councillor Harry Bussell elected as Deputy Mayor.



**Mayor
Cr Dean Rees**
Elected 27 October 2020
City Ward

d.rees@wangaratta.vic.gov.au
0418 553 087



Cr Harry Bussell
Elected 27 October 2020
South Ward

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



Cr Dave Fuller
Elected 27 October 2020
City Ward

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



Cr Ashlee Fitzpatrick
Elected 27 October 2020
City Ward

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



Cr Harvey Benton
Elected 27 October 2020
North Ward

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



Cr Jack Herry
Elected 27 October 2020
City Ward

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



Cr Irene Grant
Elected 27 October 2020
Warby Ward

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

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. Three Directors and the CEO form the Corporate Management Team (CMT) and lead the organisation.

Details of a chart setting out the organisational structure of the council is shown below.



Brendan McGrath
Chief Executive Officer

Areas of responsibility

- Corporate Management Team
- Executive Services



Marcus Goonan
Director - Community and Infrastructure

Areas of responsibility

- Infrastructure Planning and Delivery
- Field Services
- Waste Management
- Community Services
- Grit and Resilience



Stephen Swart
Director - Sustainability and Culture

Areas of responsibility

- Economic Development, Environment and Compliance
- Statutory Services
- Marketing and Communication
- Arts, Culture and Events



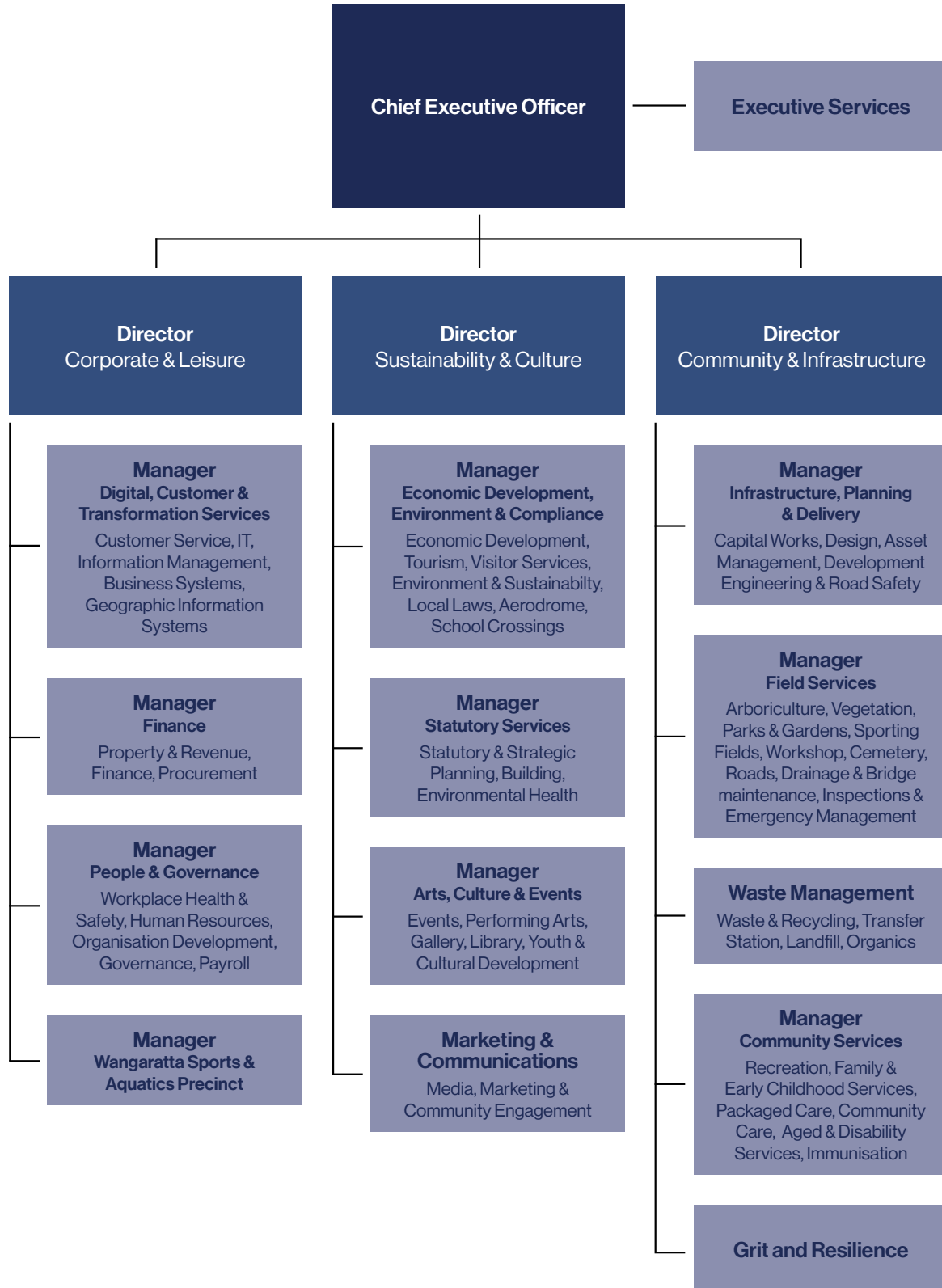
Sarah Brindley
Director - Corporate and Leisure

Areas of responsibility

- Finance
- People and Governance
- Customer, Digital and Transformation Services
- Wangaratta Sports and Aquatic Centre

Organisational Structure

A chart setting out the organisational structure of the council is shown below.



Council Staff

A Summary of the number of full time equivalent (FTE) council staff by organisational structure, employment type and gender is set out below (as of 30 June 2023):

Employee Type / Gender	Executive Services	Sustainability and Culture	Community and Infrastructure	Corporate and Leisure	Grand Total
Female					
Full Time	1	30.48	42.99	30.74	105.21
Part Time	0	10.54	49.49	15.67	75.7
Casual	0	0.72	0.93	5.84	7.49
Male					
Full Time	1	10.42	106	17.45	134.87
Part Time	0	3.33	5.26	4.16	12.75
Casual	0	0.51	1.08	3.19	4.78
Other					
Full Time	0	0	0	0	0
Part Time	0	0	0	0	0
Casual	0	0	0	0	0
Grand Total	2	56.00	205.75	77.05	340.80

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

Employment Classification	Female	Male	Self-described gender	Total
Band 3	29.18	43.11	0	72.29
Band 4	35.01	32.10	0	67.11
Band 5	36.48	22.60	0	59.08
Band 6	28.94	12.95	0	41.89
Band 7	17.91	13.03	0	30.94
Band 8	7.77	10.68	0	18.45
Not Applicable	33.11	17.93	0	51.04
Total	188.40	152.40	0	340.80

Other Staff Matters

Our staff and volunteers are Council's most valuable assets and the strength behind Council's success. We are proud of the commitment and dedication they have shown to the community and each other, and the positive momentum as we emerge from recent and past challenges experienced as a result of Covid and a challenging recruitment market.

Employee Engagement

Council conducts an annual Employee Engagement survey using the world-class Gallup Q12 program to seek feedback from all staff on key factors that would help continually develop and improve council as an engaging workplace.

63% of our workforce completed the survey last year which was our highest response rate to date.

The results are shared with all staff, and the Senior Management Team members work with their functions to develop dedicated Colleague Engagement Action Plans. Council also identified the following cross-organisational focus areas for the year ahead: completion of the Enterprise Bargaining Agreement, enhanced Learning & Development and developing our Feedback culture.

Employee Wellbeing

The Rural City of Wangaratta is committed to supporting our employees' overall wellbeing, whether that be in relation to workplace themes, or factors impacting them outside of work. To ensure proactive, professional and qualified advice and support is available, Council has appointed a new Employee Assistance Program ('EAP') provider.

An Employee Assistance Program is a confidential counselling and support service to help employees deal with personal or work-related problems in a positive way. The company appointed operates 24 hours a day and is able to support both employees and immediate family members with counselling services in areas such as:

- Depression and Anxiety
- Relationship and marriage difficulties
- Family and parenting issues
- Managing grief or loss
- Illness adjustment and management
- Stress management
- Addiction and substance abuse
- Domestic violence

And any other issues that our staff may be faced with in their work or personal life.

Gender Equity Action Plan (GEAP)

Council's GEAP has the following objectives:

- Ensure that Council's workforce is diverse and representative of our community;
- Enhance gender reporting to provide insights to business leaders;
- Create an inclusive and equitable culture;
- Councillors will continue to develop their skills and knowledge of gender equity throughout their term in office.

There have been several actions which have already been completed and planned including:

- The introduction of Gender Impact Assessments, supported by training
- Gender and Diversity reporting
- The relaunch of council's Diversity and Inclusion Committee
- Unconscious Bias training for all council staff
- Recognition of pronouns with voluntary inclusion on employee profile information

Council provides formal annual reporting on its Gender Equity Action Plan implementation to the Commission for Gender Equality.

Professional Development

As part of its professional development programming, Council has invested in developing leadership skills across the organisation over the past year. All members of the Senior Management Team participated in a leadership program focused on developing their humanistic leadership skills which ran throughout the year. Significant consultation was also undertaken with our middle-management Coordinator tier to scope and tender for a dedicated leadership program for those who manage front line and delivery teams. This program will be launched in the first half of 2023/24.

In parallel to this, a major Customer Service Training refresher program has been scoped with a competitive tender process awarded to an independent training provider. This program will also be delivered to all staff in 2023/24.

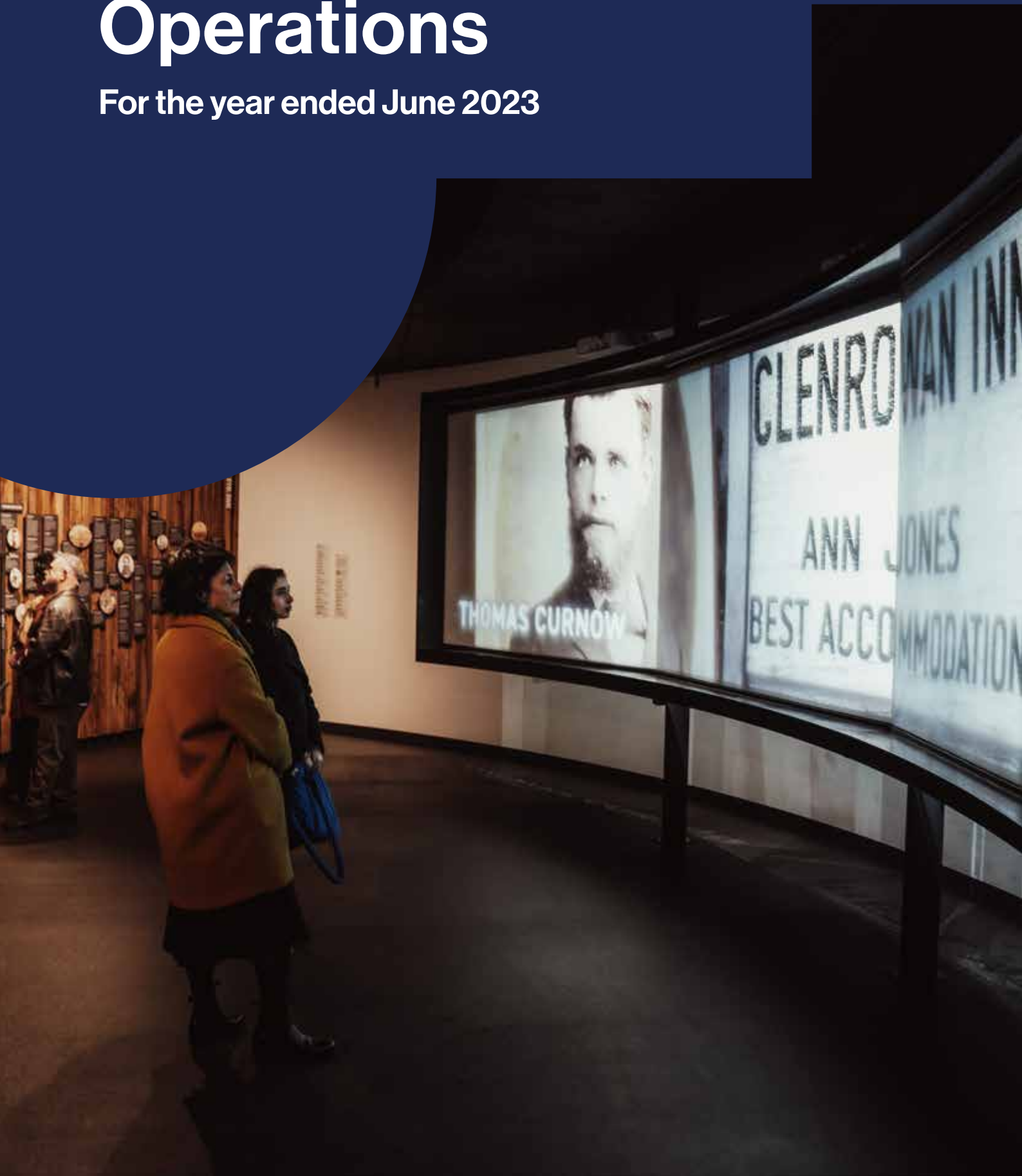
Employee Attraction and Retention

Council has experienced higher than normal employee turnover rates over the past two years, in large part driven by the multiple impacts of Covid and also on wage inflation and cost of living pressures leading to some employees pursuing opportunities to move into higher paying private sector roles and/or part time roles. In addition to the initiatives listed above, council has and continues to undertake a range of actions to reverse this trend, including:

- Negotiation of a new Employee Bargaining Agreement, with a good faith 2% pay increment awarded mid-way through 2022/23 and consideration of other contemporary benefits as the negotiation process progresses.
- Assisting business areas to recruit and fill vacancies more easily, by streamlining the application process and running new recruitment campaigns and incentives.
- Working with local partners and education providers on a Grow our Own approach, in particular for roles that are specific to local government and hard to recruit for on the open market.
- Undertaking organisation structure reviews to re-assess business unit service levels and the associated resourcing profile, if more focused support and attention is needed.
- Maintaining Council's genuine commitment to our Flexible Working Policy to provide employees with the most productive and comfortable working environment possible.

Report of Operations

For the year ended June 2023



Welcome to the Report of Operations 2022-23

The Rural City of Wangaratta is committed to transparent reporting and accountability to the community and the Report of Operations 2022-23 is the primary means of advising the community about Council's operations and performance during the financial year.

Council Plan 2021-25

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

The Council Plan 2021-25 includes strategic priorities, strategies for achieving these for the four year period and strategic indicators for monitoring achievement of the strategic priorities.

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 strategic priorities are our high-level focus areas and have been shaped by our Community Vision.

Report Structure

This report of operations covers our objectives and achievements against each of our Strategic Priorities.

The Strategic Priorities are:

1. Strengthening our Leadership
2. Nurturing our Wellbeing
3. Valuing our Environment
4. Expanding our Economy
5. Enhancing our Lifestyle
6. Growing with Integrity

Our strategic actions and strategies to further improve services and facilities are described in the Council Plan 2021-25 and Annual Budget 2022-23 against these six Strategic Priorities.

Strategic Indicators

These are how we measure the success of what we are doing to achieve our strategic objectives. We report on these twice per year.

Major Initiatives

These are the major actions and initiatives Council planned to implement during the year. The initiatives were budgeted for, and resources were assigned to achieve them. Please refer to Council's 2022/23 Budget for more detailed information on the Major Initiatives for this financial year.

Services

This describes the teams that deliver the services that contribute to the achievement of each of the Strategic Priorities.

Service Performance Indicators

These measures are part of a mandatory system of performance reporting for all Victorian Councils. Council's results for these measures will also be published in full on council's website.

Description of Operations

The Rural City of Wangaratta is responsible for a wide range of services, from family, children's and aged care services, parking and traffic regulation, open space maintenance, youth services, waste management, community buildings, business development, town planning, the Wangaratta Sports and Aquatic Centre (WSAC) and the Wangaratta Performing Arts and Conference Centre (WPACC). This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan 2021-2025 and the associated Budget 2022-23 and are reported upon in this document. Refer to the section on Our Performance for more information about council services.

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

Major Capital Works Expenditure

During 2022-23 the major capital works included the following:

Prosecco Road Revitalisation Project

Council received \$4M in funding from the Victorian Government, as part of the King Valley Prosecco Road Revitalisation Project. The project will support the activation of the King Valley region and evolve the tourism offering through improved infrastructure and investment in high-quality products and experiences, to realise its potential as an iconic tourism destination.

The funding will be utilised on projects that include:

- Whitfield and Cheshunt Streetscape Upgrades - Implementation of key infrastructure initiatives to provide a safer and enhanced visitor experience in two of Prosecco Road's key townships – Whitfield and Cheshunt.
- Shared pathway between from Edi - Cheshunt – Chrismont Winery; these corridors will provide a safe and engaging environment for cyclists and pedestrians alike to move amongst tourism experiences.
- Whitfield Playspace - delivery of an innovative and engaging all abilities playground for tourists and community, and a visitor hub including toilets, tourist information and barbeque facilities.
- Gateway Entrance Artwork – to provide a sense of arrival to the King Valley.

This project is still underway with only the Playground, Gentle Annie Shared path, Cheshunt streetscape and Oxley artwork to be delivered. Conversations continue with Taungurung Land Council in regards to contributions for the already completed works and the upcoming designs.

Ned Kelly Discovery Hub

The Glenrowan Heritage Project, now named the Ned Kelly Discovery Hub, is a world-class tourism experience that will launch visitors into the culture, history, and natural beauty of our region. The project vision was to create an immersive and contemporary tourism experience containing dynamic interpretive experiences and using technology to bring the region's infamous Australian bushranger history and its characters to life. The project will bring to life the town's history and tell the stories of not only the Kelly Gang but also the police, the indigenous trackers and the hostages who were involved in the events that led up to and involved in the actual siege at Glenrowan.

The building itself is a bold and contemporary building that is distinctive in appearance and positioning, with a viewing platform of not only the siege site, but the incredible natural history of the area. A building to present visitor experience, service and amenities for the public.

The Glenrowan Heritage Project commenced in mid-2022, and the Ned Kelly Discovery Hub will officially open to the public on Saturday 16 September 2023.

WSAC Expansion Project

The Wangaratta Sports and Aquatic Centre is undergoing a major development program. During 2022/23 the expansion and upgrade of the gym was completed, receiving much positive community feedback. During the year planning was also undertaken to expand the main stadium, providing two new courts and upgrading the show court to a competition level multi-purpose court with additional seating.

The outcomes of this project are:

- Provide a stimulus to local economic activity by planning, building and operating new or redeveloped significant community sport and active recreation infrastructure.
- Respond to demand for new participation opportunities by considering strategic and well-planned projects that have broad community and sector support.
- Improve diversity and inclusion by increasing the participation of disadvantaged communities and under-represented groups identified in Active Victoria.

Construction of the new stadium is currently underway, with the building of the extra courts, grandstand seating, clubs rooms, first aid spaces plus court official boxes. These new facilities are expected to open in mid-2023/24.

Major Changes

In 2021-22, Council commenced a trial to allocate the responsibility of the Community Wellbeing Directorate across the remaining three directorates upon the departure of the Director Community Wellbeing. This change improved collaboration across the organisation and unlocked operational efficiencies at the leadership level, and was made permanent in 2022-23.

The three remaining Directorates were renamed to reflect their new composition. The resulting structure changes included the following: the Manager Arts, Culture & Events and Marketing & Communications Specialist commenced reporting to the Director Sustainability & Culture; the Manager Community & Recreation commenced reporting to the Director Community & Infrastructure; and the Wangaratta Sports, Aquatic & Events Precinct Manager commenced reporting to the Director Corporate & Leisure.

Major Achievements

Major achievements over the 2022-23 year in addition to the capital works projects listed above included:

1. Adopting a Business Case and Concept Design for the Creative Precinct Masterplan, which sets out the vision for the Wangaratta Creative Precinct, Wangaratta Art Gallery and Wangaratta Performing Arts & Conference Centre. These plans provide a pathway to ensure cultural services are enhanced, setting Wangaratta apart from other regional destinations due to the unique setting, programming, collection, and landmark buildings of the proposed precinct.
2. Through our commitment to our Environmental Sustainability Strategy and Climate Mitigation and Adaptation Policy, council committed to reducing our greenhouse gas emissions and to increase uptake of renewable energy. As a result of signing up to the Victorian Electricity Collaboration (VECO) agreement to purchase renewable energy, all council's electricity will be from renewable sources from July 2023 onwards, well exceeding the adopted 50% target.
3. Good progress has been made on implementing a Transformation plan for the Wangaratta Sports and Aquatic Centre. Along with upgrading the gym, this included growing the Learn to Swim (LTS) instructor team and introducing online LTS bookings, launching simplified membership fees and tiers, with increased concession rates to maintain accessibility, and completing a restructure of the team to ensure it is set up for ongoing success.
4. Council successfully received over \$2 million in Commonwealth Grant Funding as part of the Black Summer Bushfire Recovery Grants. This has been invested in projects that enhance community infrastructure within the Parklands Precinct (Wangaratta Showgrounds) to provide improved emergency relief facilities and improve community resilience during emergency events.
5. \$140k in annual Community Grants funding was awarded to 23 well-deserving local community led projects and programs, with a further \$230k in Community Sponsorships also awarded to fifteen local organisations. These funds were awarded to successful applicants to assist them in undertaking initiatives that will meaningfully develop and enhance the social, cultural, and environmental experience of local residents.
6. As part of its commitment to addressing housing challenges in the local community, Council appointed a preferred supplier to develop part of the former Ovens College site. This provides an opportunity to build social, affordable, and key worker housing in a way that could be seen as a best practice example achieving functional, sustainable and inspiring development.
7. Council met all its obligations under the Local Government Act 2020 with all the required policies and undertakings in place. This included adopting the 21/22 Annual Report and 22/23 Budget, adopting the Election Period Policy in readiness for future Councillor elections, and the re-appointment of Council's CEO Brendan McGrath for a further five-year term.
8. Council has continued delivery of its ICT Strategy over the past year, including successfully embedding the new internal customer service portal, and launching an asset workorder request management tool, and enhanced financial management processes, to the organisation.
9. 2022-2023 saw the final year and completion of the initial funding of the Grit and Resilience Program by Murray Primary and The Health Network, which commenced in 2019. This program has supported many grass-roots initiatives that continue to help improve the overall wellbeing of our community.
10. The Municipal Health and Wellbeing plan continues to be delivered, in conjunction with our valued community health partners.
11. Council conducted large out-of-home and digital advertising campaign in early 2023 to promote visitation to the region.

Challenges and Future Outlook

Challenges

- Maintaining building infrastructure and delivering capital works projects within time and budget given the ongoing current high costs of construction materials and labour.
- The risk of the increased frequency of emergency events (flood, storm, bushfire), and how council continues to maintain the capacity and resources required to both support community recovery and to manage the financial impact to council of unplanned repairs to damaged infrastructure.
- The risk of disruptive behaviour by organised campaigners, which has previously impacted a scheduled inclusive event that was planned for the Wangaratta and surrounding communities and has also hindered the democratic process of councils in other municipalities.
- Maintaining a fully resourced workforce if recent economic challenges and work force shortages continue into the new financial year, with the risk of associated impacts on council service delivery where staffing gaps exist.

The Future

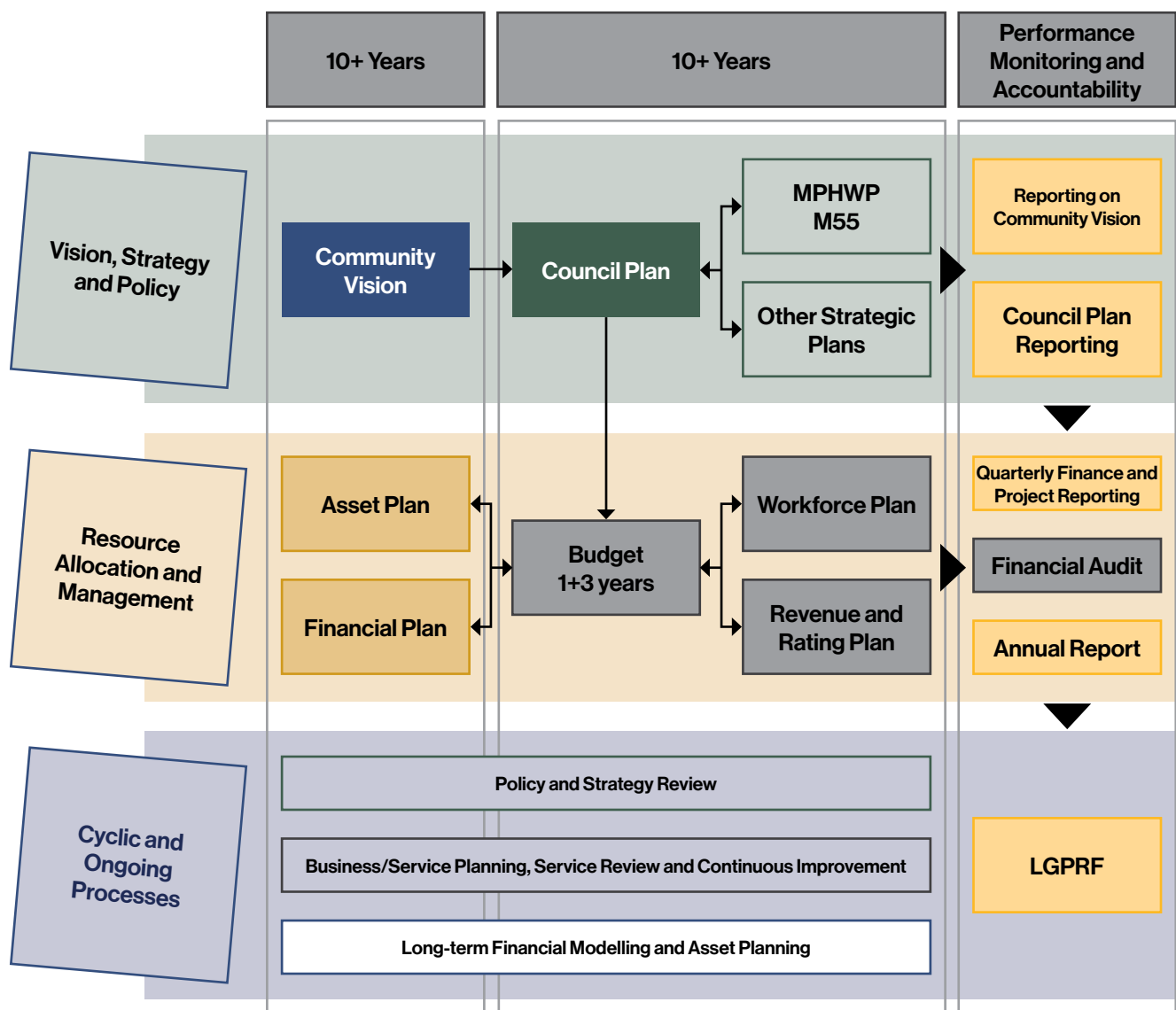
- Launch of a Community Engagement Toolkit to further engage the community in Council decision making
- Maintain Council's Advocacy Strategy to maximise opportunity for funding, program support and future development
- Complete the expansion of the Wangaratta Sports & Aquatic Centre and implementation of the King Valley Prosecco Road Revitalisation Project
- Continue implementation of the Environmental Sustainability Strategy Action Plan
- Ongoing implementation of the Marketing & Branding Strategy
- Continue to review services to improve operational efficiency and pursue opportunities to improve Council's overall financial sustainability
- Complete negotiation of a new Enterprise Bargaining Agreement for employees
- Continue focus on living up to our Community Promise and to improving customer service, with training to be rolled out across the organisation
- Run Leadership Development Program for the middle-management layer of council's workforce
- Delivery of Cultural Sensitivity Training to all Council Staff and Councillors
- Provide emergency response and recovery services for the community and neighbouring municipalities if required

Our Regulatory Environment

The Local Government Act 2020 required councils to prepare the following:

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

The following diagram shows the relationships between the key planning and reporting documents that make up the integrated strategic planning and reporting framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback.



Council Plan

The Council Plan 2021-25 includes strategic priorities, strategies for achieving these for the four-year period, strategic indicators for monitoring achievement of the strategic priorities and a strategic resource plan. The following are the five strategic priorities as detailed in the Council Plan.

1. Strengthening our Leadership		We are a responsible and compassionate community, committed to working together to build a future based on our collective needs and priorities.
2. Nurturing our Wellbeing		We will open the door for everyone to local sporting, community and cultural initiatives that strengthen our collective sense of self and improve our wellbeing.
3. Valuing our Environment		We will make decisions and take action to ensure the health and sustainability of our waterways, wildlife, vegetation, and landscapes.
4. Expanding our Economy		We will create new opportunities for local employment, create new social enterprises and facilitate a culture of innovation that will bring new people and businesses to the region.
5. Enhancing our Lifestyle		We will continue to acknowledge the Aboriginal and Torres Strait Islander culture that shapes our community and celebrate our diverse community through a range of cultural experiences.
6. Growing with Integrity		We are accessible, affordable, inclusive, safe, and engaging and we have made it our priority to ensure we offer this to our new community members.

Performance

Council's performance for the 2022-23 year has been reported against each strategic priority to demonstrate how Council is performing in achieving the 2021-25 Council Plan. Performance has been measured as follows:

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



1. Strengthening our Leadership

Strategic Indicators

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator or measure	Target	Result
Council performance on informing the community – Community Satisfaction Survey	63%	57%
Council performance on community consultation and engagement – Community Satisfaction Survey	60%	53%
Council performance on Customer Service – Community Satisfaction Survey	72%	69%
Council performance on making decisions in the interest of the community – Community Satisfaction Survey	60%	53%
Council decisions made at meetings closed to the public	4.0%	0.74%
Council performance on lobbying on behalf of the community (Community Satisfaction Survey)	59%	55%
Maintain Liquidity Ratio (Current Assets/Current Liabilities)	greater than 100%	192.31%
Average number of days to close customer action requests	Less than 14	4.25

Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2022-23 budget for the year.

Major Initiative	Status	Comment
Delivery of the ICT Strategy	Commenced	Key software modules successfully delivered in FY22/23 included: new Customer Request Management System with Snap Send Solve integration; Enterprise Asset Management; Procure to Pay; and new Event/Facility booking management system.
Implementation of the Information Management Strategy	Commenced	Information Management improvements commenced in FY22/23 included SharePoint Information Management (SIM), TechnologyOne Record Compliance and EncompaaS Governance System.
Maintain the Advocacy Strategy to maximise opportunities for funding and program support	Commenced	Council's Advocacy Strategy updated to reflect latest projects and funding opportunities.
Negotiation of a new Enterprise Bargaining Agreement	Ongoing	Enterprise Bargaining Agreement negotiations are well progressed. An Agreement is expected to be entered into in the first half of the 2023/24 financial year.

Major Initiative	Status	Comment
Ongoing delivery of the Financial Sustainability Program	Ongoing	Focus areas for 22/23 included Children's Services, Field Services and the Wangaratta Sports and Aquatic Centre. A 30% increase in income was largely offset by significant utilities and chemicals cost increases at the Wangaratta Sports and Aquatic Centre.
Implementation of the Gender Equity Action Plan	Ongoing	Roll out of the GEAP began in 2022. Achieved actions include Gender Impact Assessment training and use, Introduction of pronouns in email signatures, and rolling out of Unconscious Bias training across the organisation.
Implementation of the Workforce Plan	Completed	The Workforce Plan was approved and is currently in effect.
Launch an online community engagement portal	Ongoing	The online community engagement portal is under development and will be launched in the first half of the FY23/24.

Services

Services	Description	Expenditure \$000	Revenue \$000	Net \$000
Chief Executive and Support Staff	This area of governance includes the Chief Executive Officer and associated support.	Exp Rev Net	446 7 (439)	
Corporate Services Management and Governance	Provides strategic advice, governance, and oversees our financial sustainability.	Exp Rev Net	790 90 (700)	
Council	This service includes the Mayor and Councillors, support personnel and associated costs.	Exp Rev Net	355 – (355)	
Customer Service and Information Management	Provides services to the community to facilitate the processing of enquiries, payments and bookings. Information Management delivers records management enabling us to deliver services in a smart, productive and efficient way.	Exp Rev Net	718 – (718)	
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.	Exp Rev Net	2,195 2,157 (38)	
IT Systems	Provides, supports and maintains reliable and cost effective information and computing systems, facilities and infrastructure.	Exp Rev Net	2,364 – (2,364)	
Media and Communications	Provides information to the community on Council activities and achievements through a variety of media.	Exp Rev Net	472 – (472)	
People and Governance	Designs and implements relevant frameworks to deliver people & culture, payroll, occupational health & safety, risk and governance services. Provides strategic and governance support to the organisation for business planning and reporting and strategic risk management.	Exp Rev Net	2,371 – (2,371)	

Report of Operations

Service Performance Indicators

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Governance					
Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100	3.48%	0.66%	1.50%	0.74%	Only 1 confidential resolution was made during the 2022/23 financial year.
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	55.00	56.00	57.00	53.00	Although a slight reduction on previous years, the Rural City of Wangaratta still performed higher than the State and Regional averages.
Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) x (Number of Councillors elected at the last Council general election)] x100	97.96%	96.94%	98.90%	92.86%	All non-attendances at Council meetings were approved by the Council CEO and resolved by Council.
Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$44,221.14	\$38,376.00	\$44,221.14	\$45,139.71	Follows introduction of Deputy Mayor allowance

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Governance					
Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	52.00	56.00	56.00	53.00	A Community Engagement Portal is due to be launched to increase opportunities for community to input into Council decision making.
Satisfaction Satisfaction with informing the community [Community satisfaction rating out of 100 with how Council has performed on informing the community]	60.00	61.00	60.00	57.00	This result was consistent with State and Regional averages
Communications & Customer Service Average number of days to close a customer request [(Number of days to close a customer request / Number of customer requests) x 100]	5.00	5.00	7.63	4.25	Council has made significant progress in reducing the average number of days to close a customer request

2. Nurturing our Wellbeing



Strategic Indicators

The following statement reviews the performance of council against the Council Plan, including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator or measure	Target	Result
Council performance on recreation facilities	76%	71%
2% increase in WSAC visitation numbers	360,000	114,250 ¹
100% of domestic animals registered	100%	85%
100% of class 1 and class 2 food premises receiving an annual Food Safety Assessment	100%	102%
95% of children receiving immunisation in accordance with the Victorian Immunisation Schedule	95%	95.23%

¹Council is unfortunately unable to report an accurate measure due to failings of the visitation system. Numbers recorded only show visitation scanned through or invoiced. Areas not recorded are visitation to stadiums, and all visitation to centre whilst access gates are open. Estimated loss of visitation recording is 50%. The actual visitation was also reduced whilst construction works to upgrade the gym and stadium were undertaken. A new system has been procured and will be implemented in the 2023/24 financial year.

Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2022-23 budget for the year.

Major Initiative	Status	Comment
Progression of the Grit and Resilience Program	Ongoing	During FY22/23 the program saw: 20 recurring activities developed with 173 individual community members attending these activities and evidence supported their intent of strengthen relationships and broadening connection as an outcome. Additionally, 47 one-off events were delivered, with 2720 people in attendance. This means that 9.1% of the Wangaratta community attended a Grit and Resilience event. It also saw the evolution of the Grit and Resilience Program into an ongoing program for the Rural City of Wangaratta, funded by the Victorian State Government, as a direct result of the Royal Commission into the Mental Health system.
Development of a Reconciliation Action Plan	Ongoing	Working Group established, stakeholder relationships established, Cultural Awareness training for staff ongoing, the first round of internal and stakeholder consultation is planned for August and September 2023, and the first draft for the Reflect stage of the plan is now in progress.
Delivery of the Wangaratta Sports and Aquatic Centre Extension	Ongoing	Gym expansion and upgrade delivered and launched. Construction of the stadium upgrade is well underway and scheduled for completion in the first half of 2023/24.
Upgrade of the Yarrunga Maternal and Child Health Building and Playspace Redevelopment	Complete	All works have been completed and the YMCH team are now working out of the building.
Delivery of the Public Health and Wellbeing Plan	Ongoing	This year saw the continuation of the popular, free monthly Accessible Drumming workshops, the development of an Inclusive Wangaratta Framework (draft) and working group, as well as the development of a Gambling Policy (draft), and involvement in the RESPOND project. Council officers also worked with Victoria Police to re-engage local licensees in the Liquor Accord and developed a Homelessness Working group.
Implementation of the Walking & Cycling Strategy	Ongoing	Continuing delivery, including finalisation of shared pathway designs, and support for grant funding applications including the successful application for One Mile Creek extension (to be delivered in 23/24).
Delivery of the Community Access and Inclusion Plan	Ongoing	Grant funding received for a Changing Places toilet in Apex Park, based on CAIP actions. Going forward, Inclusive Wangaratta Framework has been developed (draft) and Inclusive Wangaratta Working Group formed.
Delivery of Community Grants Program	Commenced	Council began using Smarty Grants system to improve record keeping and transparency. Full grant funding deployed in 22/23.
WSAC Gym Equipment Upgrade	Complete	The WSAC Gym Equipment Upgrade is complete and the new gym has opened to the public.

Report of Operations

Services

Services	Description	Expenditure \$000	
		Revenue \$000	Net \$000
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.	Exp Rev Net	8,339 8,593 253
Cemetery	Operation of public cemetery facilities in Wangaratta.	Exp Rev Net	312 321 9
Community Compliance	Provides staff at school crossings, animal management services and provides education, regulation and enforcement of Local Laws including parking and other compliance activities and manages the Aerodrome.	Exp Rev Net	1,786 1,253 (533)
Community and Recreation	Provides strategic community planning.	Exp Rev Net	832 – (832)
Environmental Health	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.	Exp Rev Net	337 190 (147)
Family & Early Childhood Services	Provides family oriented support services including pre- schools, maternal and child health, child care and family day care.	Exp Rev Net	3,688 4,249 561
Wangaratta Sports & Aquatic Centre	Provides sports, group fitness and aquatics facilities, programs and events for all the community.	Exp Rev Net	3,914 2,197 (1,717)

Service Performance Indicators

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Aged & Community Care					
Number of Home Care clients [Total number of Home Care clients (annual)]	759	878	968	1,623	There has been a significant increase in the number of Home Care Clients in the 2022/23 financial year.
Community Compliance					
Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	4.63	1.43	2.30	2.00	A slight reduction in the average time taken to action animal management requests
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100 Animals rehomed [Number of animals rehomed / Number of animals collected] x100	55.38%	46.27%	41.16%	32.59%	A slight reduction in the number of animals reclaimed in the 2022/23 financial year A significant increase in the number of animals collected has resulted in the decrease in this measure.
Service cost Cost of animal management service per population [Direct cost of the animal management service / Population] Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	\$16.83	\$15.72	\$15.00	\$14.94	Beneath target cost of \$18.00 No prosecutions in this period

Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Environmental Health					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	4.50	2.28	2.39	1.50	Improvement seen to reduce time taken to action complaints
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	101.52%	104.93%	100.00%	101.93%	Good progress to ensure all premises are inspected
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]	\$280.70	\$336.54	\$345.00	\$500.00	Cost reflects increasing requirements of the service
Health & 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	78.57%	100.00%	75.00%	108.33%	Council followed up on a critical and major non-compliance outcome notifications when compared to previous years as a result of a dedicated effort from Council's Statutory Services team in actioning notifications in a timely and productive manner.
Participation Participation in immunisation programs [Number of children immunised in the year / Number of children enrolled in the Victorian Immunisation Schedule] x 100	98%	98%	95%	95.23%	

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Family and Early Childhood Services					
<i>Service standard</i>					
Infant enrolments in the MCH service <small>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</small>	100.35%	99.67%	105.28%	99%	
<i>Service cost</i>					
Cost of the MCH service <small>[Cost of the MCH service / Hours worked by MCH nurses]</small>	\$60.82	\$69.86	\$73.78	\$87.89	
<i>Participation</i>					
Participation in the MCH service <small>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</small>	80.62%	84.74%	85.03%	82.08%	
<i>Participation</i>					
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>	85.05%	90.38%	83.33%	93.33%	
<i>Satisfaction</i>					
Participation in 4-week Key Age and Stage visit <small>[Number of 4-week key age and stage visits / Number of birth notifications received] x100</small>	102.45%	98.01%	99.01%	94.00%	

Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
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	1.00	1.00	1.00	Inspection undertaken.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	9.81	9.18	11.08	5.74	Council was unable to provide accurate figures for this measure, the actual figures are anticipated to be 50% more. See further explanation beneath Strategic Indicators above.
Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	\$1.47	\$5.55	\$10.72	\$10.01	Council was unable to provide accurate figures for this measure due to incorrect utilisation figures.

3. Valuing our Environment



Strategic Indicators

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator or measure	Target	Result
Council performance on environmental sustainability – Community Satisfaction Survey	69%	64%
Number of native plants planted annually	7000	8227
Kerbside collection waste diverted from landfill	70%	61.32%
Percentage of waste going to landfill	5%	1.95%
Tonnes of compost produced from organic waste per year	10% of total tonnage converted	50%
Minimum of 50% of Council used electricity sourced from renewable sources by 2025	50%	100%

Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2022-23 budget for the year.

Major Initiative	Status	Comment
Environmental Sustainability Strategy 2020-25 Action Plan	Ongoing	Emission Reduction Plan for Corporate Operations was implemented, and Climate Adaptation & Mitigation Policy adopted. Council signed up to the Victorian Electricity Collaboration Power Purchasing Agreement (VECO) which provides 100% renewable electricity for council operations. Evie Charger installed in CBD. Plastic Oceans single use plastic behavioural change program 12-month program completed for staff. Environment & Sustainability Reference Group nominations endorsed. Over 8,000 trees were planted through the year. Several events were run including Low-energy Homes, Kids on Country', Mullinmur Turtle Talk and Gardening for Wildlife and supported other events such Climate Leaders forum and other educational programs.
Implementation of the Waste Management Strategy	Ongoing	Community consultation took place during Financial Year 2022/23. Draft Strategy under development due for review in August 2023
Deliver our roadside weed management program	Ongoing	The annual weed program was successfully delivered and new funding agreement has been signed for FY23/24 through State Government.
Acquisition of an organics processing trommel, tarps and tarp cover placement machine	Ongoing	Trommel has been delivered and is in use. The tarp cover placement machine and picking station will be installed in August 2023. The Draft Licence Amendment is currently with the EPA Victoria and is due to be issued in the coming weeks.

Report of Operations

Major initiatives continued

Major Initiative	Status	Comment
Installation of solar on the Government Centre Building	Ongoing	Design of solar is to be revisited due to shaded areas from newly installed HVAC plant reducing total area for maximum output of required kw allowable on council building which may show that it is not a viable project.
Implementation of a Native Vegetation Offset Site	Cancelled	Project was cancelled as the site proposed for the project was deemed unsuitable due to land ownership issues. No other council owned sites are viable.
Implementation of a Kerbside Transition Plan	Ongoing	Council is currently awaiting on the State Government to release the new kerbside collection regulations so that the next phase of the service can be specified in accordance with this document's requirements.
Construction of Bowser Landfill Cell 6	Ongoing	Cell 6 Construction Project reached practical completion in February 2023 and EPA approval in June 2023.
Development of a Tree Canopy Policy to address climate adaptation	Completed	Council endorsed a Tree Canopy Policy

Services

The following statements provide information in relation to the services funded in the 2021-22 budget and the persons or sections of the community who are provided the service.

Services	Description	Expenditure \$000	Revenue \$000	Net \$000
Emergency Management & Response	Designs and implements the emergency management plans for Council and coordinates activities and provides support during emergency events.	Exp Rev Net	124 632 508	
Environmental Services	Develops environment and Sustainability policy to improve Council's Environmental Sustainability performance. Implements and manages Councils environment projects and programs such as native vegetation assessment and restoration works, maintenance of riparian areas and natural reserves and waterway quality. Works to drive awareness of Councils/Community responsibilities to sustainability and climate change adaption for buildings, environment, use of water, energy and resources. Reducing greenhouse gas emissions within Council operations and the community are a key priority for Council.	Exp Rev Net	774 56 (718)	
Waste	Provides kerbside collections of garbage, recyclables and organics. Operates Bowser landfill and organics processing plant.	Exp Rev Net	4,873 1,830 (3,044)	

Service performance indicators

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Waste Collection					
Satisfaction Kerbside bin collection requests faction [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	156.47	167.59	221.47	208.00	Slight reduction on the previous financial year
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	6.92	4.75	7.07	5.37	
Service cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$120.19	\$86.95	\$108.60	\$142.64	Increased costs in the Waste environment
Service cost Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$65.57	\$91.57	\$89.47	\$99.71	
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	61.83%	60.45%	64.34%	61.32%	Returning to pre-covid behaviours, with higher waste generation through businesses, and a reduced focus on sorting waste types at home.

Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Environmental Services					
<i>Percentage change in Greenhouse gas emissions from council owned buildings, street lighting and fuel/vehicle use</i> [Greenhouse gas emissions this year / greenhouse gas emissions in 2021/22]	15% decrease	17% increase	2% decrease	1% decrease	
<i>Number of native plants planted in the municipality</i> [Number of native plants planted within the natural reserves and pathways in the municipality]	6,839	6,500	7,602	8,227	
<i>Performance on environmental sustainability</i> [Community satisfaction (community satisfaction rating out of 100 with how Council has performed on environmental sustainability)]	62	64	64	64	

4. Expanding our Economy



Strategic Indicators

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator or measure	Target	Result
Annual increase in the number of overnight stays on pre-COVID results	5%	1%
Percentage increase on Visit Wangaratta website visits	10%	36.98%
Annual increase on Rail Trail usage	3%	1%
Wangaratta Livestock Exchange full year financial position	Surplus	Surplus
Council performance on business, community development and tourism - (Community Satisfaction Survey)	69%	63%

Major initiatives

The following statements provide information in relation to the services funded in the 2022-23 budget and the persons or sections of the community who are provided the service.

Major Initiative	Status	Comment
Review of the Economic Development and Tourism Strategy	Ongoing	Delivery of the strategy actions were undertaken with a focus on upskilling workshops, shop local campaigns, and improving regulatory process. As well as supporting the tourism developments of the Ned Kelly Discovery Hub, Prosecco Road and Murray to Mountains Rail Trail project.
Completion of the Ned Kelly Glenrowan Project	Ongoing	Construction of the Ned Kelly Discovery contemporary viewing tower and siege interpretation was the focus of the past year. The project is nearing completion with the final audio and visual fit out underway.
Commencement of the King Valley Prosecco Road Development Plan	Commenced	Township visitor experience streetscape improvements for Whitfield have been completed providing an inviting atmosphere for visitors. Cheshunt streetscape design and construction is underway. Whitfield Adventure Playspace and Shared path from Gentle Annie's Lane to Whitfield are both under construction. The procurement process for the Gateway Artwork for Oxley is nearing completion.
Implementation of Visitor Service Strategy	Commenced	Know Your Backyard campaign was delivered to increase engagement of residents with local businesses and tourism providers. New Visit Wangaratta satellite stands are being rolled out across the municipality with participation of local businesses in each area. The new Visitor Services kiosk for Wangaratta is now operating successfully from the Wangaratta Performing Arts and Conference Centre.
Participation in Tourism North East (TNE) programs	Ongoing	Tourism North East delivered a number of tourism programs and promotions from the Ride High and Walk High Country marketing along with a number of industry workshops. Digital programs and advocacy work.
Attract new industries and businesses	Ongoing	The Invest Wangaratta website provides information for those looking to invest in our Municipality. Council also attended the Australian Manufacturing Week in Melbourne under the Invest Wangaratta brand to promote Wangaratta as a great place to invest and work.
Continuation of Council's CBD Banner Project	On Hold	Two sets of CBD banners have been designed and printed - the Christmas Banners and the set of Shop Local Banners. The project is currently on hold awaiting confirmation of art from VACCA for Indigenous Awareness banners.

Services

Services	Description	Expenditure \$000 Revenue \$000 Net \$000
Economic Development & Tourism	Assists Council to drive investment attraction and business development opportunities for the municipality. Works with local business and industry sectors to develop partnerships and initiatives and workshops to drive growth in the across all sectors. Through Visit, Invest and Live websites actively assists in the promotion of the municipality as the place to live, work and visit.	Exp 1,419 Rev 1,513 Net 94

Service Performance Indicators

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Economic Development and Tourism					
<i>Performance on business, community development and tourism</i> [Community satisfaction (community satisfaction rating out of 100 with how Council has performed on business, community development and tourism)]	61	65	65	63	This result exceeded State and Regional averages
<i>Percentage increase in Visit Wangaratta website visits</i> [(Total number of hits to Visit Wangaratta website in the current year) - (Total Number of hits to the Visit Wangaratta website in the prior year)/100]	10%	13%	7.5%	36.98%	A significant increase in the number of visits to the Visit Wangaratta website
<i>Percentage increase in Cycle Tourism along Rail Trail</i> [(Number of bicycles passing counters situated on Rail Trails in the current year) - (Number of bicycles passing counters situated on Rail Trails in the prior year) /100]	31%	-14.7%	0%	1%	Damaged and a missing counter, reflect a deficit in the rail trail counts.
Wangaratta Livestock Exchange					
<i>Service cost</i> Full year financial position [Operating surplus or deficit for Wangaratta Livestock Exchange]	Surplus	Surplus	Surplus	Surplus	

5. Enhancing our Lifestyle



Strategic Indicators

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator or measure	Target	Result
Council performance on the condition of sealed roads – Community Satisfaction Survey	62%	50%
Council performance on the condition of unsealed roads – Community Satisfaction Survey	57%	40%
Sealed local roads maintained to condition standards	97%	70.67%
Reduction in customer requests for pathways per year	5% reduction	1.67% reduction
Number of attendees at the Wangaratta Art Gallery in 2021-22	35,000	33,103
Tickets sold through the Wangaratta Performing Arts and Convention Centre	18,500	29,974
Active library borrowers within the municipality	12%	9.73%
Council performance on community and cultural activities – Community Satisfaction Survey	72%	67%
Council performance on appearance of public open spaces – Community Satisfaction Survey	80%	74%

Major initiatives

The following statements provide information in relation to the services funded in the 2022-23 budget and the persons or sections of the community who are provided the service.

Major Initiative	Status	Comment
Ongoing Event Strategy implementation	Ongoing	The Event Strategy (2018-2023) is being reviewed and re-drafted for community consultation to adopt a new strategy for 2024-2029. The Events Team will continue to deliver a comprehensive event program including many free or low-cost events such as New Years Eve, the Summer in the Parks program and the Outdoor Ball.
Street tree infill and renewal program	Ongoing	Program is ongoing with a similar number to be delivered over the next 5 years.
Delivery of Stage one of the Creative Precinct Masterplan	Commenced	The Creative Precinct Business Case and Concept Design was approved by Council at the February 2023 Council meeting. This masterplan is now complete and is guiding the Creative Precinct Detailed Design and further stages.
Delivery of the Wangaratta Parklands Relief Centre improvements	Commenced	This project is to upgrade the Wangaratta Parklands (Showgrounds) as an emergency relief centre. Improvements have been completed at the Rodeo ground including site leveling and installation of water, electrical and sewer dump points. Detailed building designs have been completed for the Kennel Club, Lions Club and Wangaratta Magpies Football and Netball Club to provide fit for purpose amenities.
Delivery of the annual gravel resheeting program	Ongoing	At a cost of \$1.72M we completed 64.9km of resheeting. This included tree enveloping and upgrading of minor culverts.
Improve and grow pathway network	Ongoing	Last Financial Year Council constructed 2,420m (2.4km) of footpath combining both new & renewal with a total expenditure of \$385,000.
Delivery road reseal and reconstruction programs	Ongoing	Road Resealing for 2021-22 consisted of 19km of spray sealing & 1km asphalt sealing, in total 20km at a cost of \$850K.
Delivery of Kerb and Channel Renewal Works	Ongoing	Kerb and Channel upgrades were completed at Larking & Dodsworth Street's and Murdoch Road Wangaratta.
Lighting and accessibility upgrades to the Art Gallery	Ongoing	This project will be readvertised in September 2023 and completed by the end of the 23/24 financial year.

Report of Operations

Services

Services	Description	Expenditure \$'000		Revenue \$'000	Net \$'000
Attractions & Events	Provides events for the municipality and cultural development.	Exp	590	Rev	6
		Net	(584)		
Library Services	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.	Exp	986	Rev	308
		Net	(678)		
Youth Services	Provides youth development programs and supports youth health wellbeing.	Exp	193	Rev	45
		Net	(148)		
Projects & Recreation	Prepares policies and strategies relating to open space and recreation throughout the municipality. It also supports community projects and programs.	Exp	2,523	Rev	1,373
		Net	(1,150)		
Field Services	Provides road and bridge maintenance, street and footpath cleaning, drainage, walking/ cycling path, sports ground and parks and garden maintenance. It also provides street cleaning, leaf collection, weed removal, and street litter bins throughout the municipality.	Exp	8,444	Rev	292
		Net	(8,152)		
Wangaratta 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.	Exp	553	Rev	105
		Net	(447)		
Wangaratta Performing Arts & Convention Centre	Provides theatre services including technical staging advice and performance operations, facilities for presentations and exhibitions of works by local artists, function and catering services and a café.	Exp	1,378	Rev	921
		Net	(457)		

Service indicators/measures

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Library Services					
Utilisation Physical library collection usage <small>[Number of physical library collection item loans / Number of physical library collection items]</small>	2.70	2.26	2.39	2.81	A continued increase in the utilisation of Council's library service in the last financial year
Resource standard Recently purchased library collection <small>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</small>	58.65%	62.55%	59.44%	65.52%	An increase number of items available for borrowing provided in this financial year.
Participation 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>	13.64%	11.74%	10.30%	9.73%	
Service cost Cost of library service per population <small>[Direct cost of the library service / Population]</small>	\$25.71	\$24.38	\$27.99	\$28.99	

Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Wangaratta Gallery					
<i>Number of attendees at the Wangaratta Art Gallery</i>	24,426	17,790	19,205	33,103	A significant increase in the number of attendees in the first full financial year post Covid restrictions.
Wangaratta Performing Arts & Convention Centre					
<i>Number of tickets sold through the Wangaratta Performing Arts & Convention Centre</i>	15,777	7,041	15,114	29,794	Ticket sales purchased through the Wangaratta Performing Arts & Convention Centre have further increased as Covid-19 related restrictions eased throughout the 2022-23 Financial Year
<i>Number of conferences and conventions at the Performing Arts & Convention Centre</i>	149	74	147	176	
Cultural Development					
<i>Performance on community and cultural activities</i>	69	67	68	67	Consistent performance on community and cultural activities in the last four financial years.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Roads					
Satisfaction of use [Number of sealed local road requests / Kilometres of sealed local roads] x100	28.00	66.71	42.83	50	
Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	97.42%	97.26%	97%	99.43%	Positive results in the condition standards of local roads, despite the significant weather events occurring in our municipality in the 2022-23 financial year.
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$0.00	\$63.25	\$61.17	\$139.54	A significant increase in the service cost of local road reconstruction due to the significant weather events in the preceding financial year.
Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.78	\$4.86	\$4.55	\$5.85	
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	57	64	57	50	The satisfaction rating dropped largely as a result of major flooding across our municipality.
Performance on the condition of local streets and footpaths [Community satisfaction rating out of 100 with how Council has performed on the condition of local streets and footpaths]	58	61	58	51	Impacted by the damage to infrastructure following significant weather events during the year.
Performance on maintenance of unsealed roads [Community satisfaction rating out of 100 with how Council has performed on the maintenance of unsealed roads in the local area]	48	52	45	40	Impacted by the damage to roads following significant weather events during the year.

6. Growing with integrity

Strategic Indicators

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator or measure	Target	Result
Annual number of building permits issued for new dwellings	150	183
Annual number of new residential lots released	150	180
Planning applications made within required timeframes	85%	27.92%
Median number of processing days taken between receipt of a planning application and decision	55 days	78 days
Council performance on planning and building permits - (Community Satisfaction Survey)	60%	47%
Annual population growth – (census data)	1.2%	0.5%
Annual increase in gross regional product – (REMPPLAN)	2%	6%
Increase in visitation to Invest Wangaratta and Live Wangaratta websites	10%	0%

Major initiatives

Major Initiative	Status	Comment
Ongoing implementation of the Marketing & Branding Strategy	Ongoing	Conducted large out-of-home and digital advertising campaign in early 2023 to promote visitation to the region. Ongoing organic digital marketing campaign efforts to drive tourism and economic development.
Newman Street drainage upgrade	Completed	Works have been completed.
Completion of Stage 2 of the Structure Planning – Low Density and Rural Residential Strategy	Ongoing	Council continues to invest in acquiring accurate asset condition data to form Council's ongoing renewal plans each financial year.
Design of Tarrawingee and Whorouly Infrastructure Plans under Rural Placemaking Project	Completed	Community engagement programs were delivered in Whorouly & Tarrawingee. The community determined their next priority projects to be designed or delivered under the Rural Placemaking Plan. A shared path has been constructed along River Road, Tarrawingee and kerb and channel designs have been developed for future construction in Church Street, Whorouly.

Major initiatives

Major Initiative	Status	Comment
Delivery of Everton Infrastructure Plan	On Hold	No significant works have been committed on this Plan throughout 2022/23 as a result of resources being distributed to the Rural Placemaking Project but more work will be undertaken early in the 2023/24 financial year.

Services

Services	Description	Expenditure \$000	Revenue \$000	Net \$000
Sustainability and Culture Management	Provides strategic direction to the Sustainability and Culture directorate.	Exp Rev Net	592 – (592)	
Community and Infrastructure Management	Provides strategic direction to the Community and Infrastructure Services directorate	Exp Rev Net	665 – (665)	
Infrastructure Planning & Delivery	Prepares long term management programs for Council's assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. Undertakes the design, tendering, contract management and supervision of Council's capital works program.	Exp Rev Net	3,304 186 (3,118)	
Statutory Services	The Planning service (including statutory planning) processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit. The Building service provides statutory building services to the community.	Exp Rev Net	1,772 1,478 (293)	

Report of Operations

Service indicators/measures

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Statutory planning					
Timeliness Time taken to decide planning applications <small>[The median number of days between receipt of a planning application and a decision on the application]</small>	46.00	47.00	50.00	78.00	This measure was impacted due to resourcing constraints within council Planning department throughout the financial year.
Service standard Planning applications decided within required time frames <small>[(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</small>	82.03%	80.26%	83.39%	27.92%	This measure was impacted due to resourcing constraints within Council planning department throughout the financial year. New appointments have now been made.
Service cost Cost of statutory planning service <small>[Direct cost of the statutory planning service / Number of planning applications received]</small>	\$2,271.96	\$1,826.91	\$2,017.00	\$2,017.00	
Decision making Council planning decisions upheld at VCAT <small>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100</small>	83.33%	33.33%	100.00%	100.00%	All planning decisions that went to VCAT were upheld.
Number of building permits for new dwellings issued within the municipality <small>[Number of building permits issued within growth areas]</small>	151	211	165	183	This measure is dependent on external factors such as the housing market and land availability.
Number of new housing lots released in the municipality	179	166	184	180	This measure is dependent on external factors such as the housing market and land availability.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2020	2021	2022	2023	
Statutory planning					
Performance on planning and building permits [Community satisfaction rating out of 100 with how Council has performed on planning and building permits]	54	54	51	47	This measure was impacted due to resourcing constraints within Council planning department throughout the financial year. New appointments have now been made.
Infrastructure Value of infrastructure assets per head of municipal population [Value of infrastructure assets/municipal population]	\$17,748	\$19,858	\$20,358	\$23,415.67	

Governance, Management and Other Information

Governance

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

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

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

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

Meetings of council

Council conducts open public meetings on the final Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the council, make a submission or speak to an item, in accordance with Council's Governance Rules. For the 2022-23 financial year council held 11 Scheduled Council Meetings and 2 Unscheduled Council Meetings

The following table provides a list of councillor attendance at these meetings for the 2022-23 financial year.

Councillor	26 July 22	30 Aug 22	27 Sep 22	3 Oct 22	25 Oct 22	29 Nov 22	13 Dec 22	19 Dec 22	28 Feb 23	28 Mar 23	26 Apr 23	30 May 23	22 Jun 23	Total
Cr Dean Rees (Mayor)	1	1	–	1	1	1	1	–	1	1	1	1	1	11
Cr Harry Bussell (Deputy Mayor)	1	1	1	1	1	1	1	1	1	1	1	1	1	13
Cr David Fuller	1	1	1	–	1	1	1	1	1	1	1	1	1	12
Cr Ashlee Fitzpatrick	1	1	1	1	1	1	1	1	1	1	–	1	1	12
Cr Harvey Benton	1	1	–	1	1	1	1	1	1	1	1	1	1	12
Cr Jack Herry	1	1	1	1	1	1	1	1	1	1	1	1	1	13
Cr Irene Grant	1	–	1	1	1	1	1	1	1	1	1	1	1	12
Total	7	6	5	6	7	7	7	6	7	7	6	7	7	85

Delegated committees

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

- Councillors;
- Council staff;
- Other persons; and
- Any combination of the above.

Council has no formally appointed Delegated Committees in which to report.

Councillor Code of Conduct

The Act requires councils to develop and approve a councillor Code of Conduct within 12 months after each general election. On 23 February 2021, Council adopted a Councillor Code of Conduct in accordance with the Act which is designed to:

- Assist councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter;
- Attract the highest level of confidence from Council's stakeholder;
- Assist the mayor and councillors to discharge the responsibilities of their public office appropriately.
- In addition to setting out the Councillor Conduct Principles, the Code also outlines:
- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest;
- Roles and relationships;
- Dispute resolution procedures.

Conflict of interest

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

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

Although there is no express provision under the Act for councils to have in effect a standalone Conflict of Interest Policy, Council endorsed the Conflict of Interest Policy 2023 at the 26 April 2023 Scheduled Council Meeting.

Councillor Allowances

In accordance with Section 39 of the Act, councillors are entitled to receive an allowance while performing their duty as a councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the limits for all allowances paid to councillors and Mayors. Councils are divided into three categories based on the income and population of each council; the Rural City of Wangaratta is recognised as a category two council.

The following table contains details of current allowances fixed for the mayor and councillors during the year.

Councillor	Allowance (\$)
Cr Dean Rees (Mayor)	98,129
Cr Harry Bussell Deputy Mayor)	49,065
Cr David Fuller	30,561
Cr Ashlee Fitzpatrick	30,561
Cr Harvey Benton	30,561
Cr Jack Herry	30,561
Cr Irene Grant	30,561

Report of Operations

Councillor Expenses

In accordance with Section 40 of the Act, Council is required to reimburse a Councillor for reasonable expenses incurred whilst performing their duties as a councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the mayor and councillors to enable them to discharge their duties. Council adopted its Council Expenses Policy on 30 June 2020 in accordance with the Act.

Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a council committee paid by the council.

The details of the expenses including reimbursement of expenses for each councillor and member of a council committee paid by the council for the 2022-23 year are set out in the following table:

Expenses	Cr Ashlee Fitzpatrick	Cr David Fuller	Cr Dean Rees	Cr Harry Bussell	Cr Harvey Benton	Cr Irene Grant	Cr Jack Herry	Total
Childcare and Carer Expenses	0	0	0	0	0	0	0	0
Conference and Training Expenses	380	587	5,962	151	300	243	157	7,780
Information & Communication Technology Expenses	216	216	216	216	216	216	216	1,512
Travel Expenses	0	151	423	14,923	294	100	0	15,891
Car Mileage Expenses	0	0	17,956	0	0	302	306	18,564
Total	596	954	24,557	15,290	810	861	679	43,747

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.

Management

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

Audit and Risk Committee

The Audit Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management, and fostering an ethical environment. The Audit and Risk Committee consists of four independent members, Mr Vito Giudice (Chair from 21 June 2022), Mr Gavan Nolan, Mr Matt Fagence and Ms Jane Watson (from 28 February 2023) and two Councillors who are appointed for one-year terms at a Scheduled Council Meeting each November. Cr Mayor Dean Rees was appointed as a Councillor member until the expiration of his term in November, whilst Cr Deputy Mayor Harry Bussell was re-elected for a further one-year term and Cr Jack Herry appointed as Mayor Rees' replacement. Councillors are not paid for their attendance. Independent members are appointed for a three-year term and the chair is elected from amongst the independent members.

The Audit Committee meets four times a year, with a special meeting convened for the purposes of considering Council's Financial and Performance Statements and Governance and Management Checklist. The minutes of each meeting are formally noted upon confirmation at the next available Scheduled Council meeting.

The Internal Auditor, External Auditor, Chief Executive Officer, Director Corporate & Leisure and Governance & Reporting Advisor attend all Audit Committee meetings. Other council officers attend as required to present reports.

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

Internal audit

Council's internal audit program provides independent and objective assurance that the appropriate processes and controls are in place across Council. A risk based five-year Internal Audit Plan (IAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input. The IAP is reviewed and approved by the Audit and Risk Committee annually and changes are recommended on an as-necessary basis to satisfy operational objectives.

The Internal Auditor attends each Audit and Risk Committee meeting to report on the status of the IAP to provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk rated.

Recommendations are assigned to the responsible Manager and tracked in Council's performance management system. Quality assurance is measured through the annual Audit and Risk Committee self-assessment, completion of the internal audit plan and benchmarking against other internal audit functions.

The IAP for 2022-23 was completed with the following reviews conducted:

- Past Issues Review
- Waste Management
- Risk Management Framework
- Data Analytics – Purchasing Cards
- Project Management
- Data Analytics – Supplier Payments

External audit

Council is externally audited by the Victorian Auditor-General. For the 2022-23 financial year, the annual external audit of council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative Crowe. The external auditors attend each Audit and Risk Committee meeting. The external audit management letter and responses are also provided to the Audit and Committee.

Local Law 4 – Major Council Policy Consultation

Council's Local Law 4 – Major Council Policy Consultation provides the legal framework in which Council's Major Council Policy framework is deployed. A Major Council Policy is defined as 'any policy which Council has determined, by reason of its importance, to be a Major Council Policy'.

Typically, these are policies that have a direct impact on the community in which Council represents (including the Public Transparency Policy, Governance Rules and Community Engagement Policy) and the Local Law enshrines our commitment to provide the community with the opportunity to have a say on policies that may concern them.

Governance and Management Checklist

The following are the results of council's assessment against the prescribed Governance & Management Checklist.

In accordance with Regulation 9 of the Local Government (Planning and Reporting) Regulations 2020, the following are the results of Council's assessment against the prescribed governance and management checklist.

Governance and Management Checklist

The following are the results of council's assessment against the prescribed Governance & 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)	Adopted in accordance with section 91 of the Act Date of adoption: 26 October 2021
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)	Adopted in accordance with section 92 of the Act Date of adoption: 28 June 2022
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: 22 June 2023
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: 3 April 2023
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: 22 June 2023
9. Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency mitigation, response and recovery)	Municipal Emergency Management Planning Committee (MEMPC) meetings attended by one or more representatives of Council (other than the chairperson of the MEMPC) during the financial year Dates of MEMPC meetings attended: 11 August 2022 13 December 2022 9 March 2023 22 June 2023

Governance and Management Items	Assessment
10. Procurement policy <p>(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>	<p>Adopted in accordance with section 108 of the Act</p> <p>Date of adoption: 30 August 2022</p>
11. Business continuity plan <p>(plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)</p>	<p>Current plan in operation</p> <p>Date of operation of current plan: 24 April 2023</p>
12. Disaster recovery plan <p>(plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)</p>	<p>Current plan in operation</p> <p>Date of operation of current plan: 24 April 2023</p>
13. Risk management framework <p>(framework outlining Council's approach to managing risks to the Council's operations)</p>	<p>Current framework in operation</p> <p>Date of operation of current framework: 30 April 2020</p>
14. Audit and risk Committee <p>(advisory committee of Council under section 53 and 54 of the Act)</p>	<p>Established in accordance with section 53 of the Act</p> <p>Date of establishment: 25 August 2020</p>
15. Internal audit <p>(independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)</p>	<p>Internal auditor engaged</p> <p>Date of engagement of current provider: 20 January 2020</p>
16. Performance reporting framework <p>a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)</p>	<p>Current framework in operation</p> <p>Date of operation of current framework: 15 August 2022</p>
17. Council Plan reporting <p>(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)</p>	<p>Current report</p> <p>Date of report: 28 February 2023</p>
18. Financial reporting <p>(quarterly statements to the Council under section 97(1) of the Local Government Act 2020, comparing actual and budgeted results and an explanation of any material variations)</p>	<p>Statements presented to the Council in accordance with section 97(1) of the <i>Local Government Act 2020</i></p> <p>Dates statements presented: Quarterly Statement No. 1 25 October 2022; Quarterly Statement No. 2 28 February 2023 Quarterly Statement No.3 26 April 2022</p>

Governance and Management Items	Assessment
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: Quarterly Report No. 1 – 20 September 2022; Quarterly Report No. 2 – 7 February 2023; Quarterly Report No.3 – 18 April 2023
20. Performance reporting (6-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the <i>Local Government Act</i>)	Reports prepared and presented Date of reports: Six-monthly Report No. 1 – 30 August 2022; Six-monthly Report No.2 – 28 February 2023
21. Annual report (annual report under sections 98, 99 and 100 of the Local Government Act 2020 containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act Date of consideration: 19 December 2022
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 – 15 November 2022 Instrument of Delegation of CEO powers, duties and functions – 15 November 2022 Instrument of sub-Delegation by the CEO – 23 December 2022 S11 Instrument of Appointment and Authorisation – 7 February 2023
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: 30 August 2022

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



Brendan McGrath
Chief Executive Officer

Date: 11/10/2023



Cr Dean Rees
Mayor

Date: 11/10/2023

Statutory Information

Procurement and Contracts

Council adopted a Procurement Policy consistent with section 108 of the Local Government Act 2020 (Vic) in September 2022 and established the contract value threshold of \$250,000. Any procurement in excess of this threshold must be undertaken by tender. This policy was drafted to provide guidance to Council Officers and Councillors over the appropriate procurement activities, embed ethical behaviour across the organisation, increase the probability of obtaining value for money when purchasing goods, services or works and to demonstrate accountability and transparency to ratepayers through open and fair competition.

Council did not enter into any other contracts valued at \$250,000 or more without engaging in a competitive tender process during the last financial year.

Carers Recognition Act 2012

Council is required to report annually on its fulfilment of the obligations in section 11 of the Carers Recognition Act 2012 (Vic).

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:

- Information about advocacy services are 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 and
- Local agencies such as networks, carer support groups, local Health services, etc, provide carer information re services, new/extra funding, seminars/workshops and this is disseminated to Rural City of Wangaratta clients in the monthly newsletter.

Disability Action Plan

In accordance with section 38 of the Disability Act 2006, Council has prepared a Disability Action Plan and Council must report on the progress of this Plan in its Annual Report. Council has implemented the following actions:

- Reviewed the existing Disability Action Plan;
- Called for applications for an Inclusive Wangaratta working group to inform the next plan, utilizing lived experience voices to form a new action plan, and organized the first meeting of the group;
- Applied for grants for projects as outlined in our Disability Action Plan, including a successful Changing Places facility grant, with the design and construct of the facility to be completed in Apex Park in late 2023;
- Undertaken Unconscious Bias training with Council Staff;
- Started facility audits, including our sporting facilities, WSAC, and Childrens Services and made recommendations for changes based on these audits;
- Included Accessibility and Inclusion as a category in Council's 2022/23 Community Grants program. In 2022/23, four accessibility and inclusion projects were funded.;
- Used Council's online presence to increase awareness and understanding of disability;
- Continued to utilise innovative options, online resources and social networking to enable people to attend meetings due to disability, transport or distance and restrictions.

Domestic Animal Act 1994

In accordance with the Domestic Animals Act 1994 Section 68a, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

Council adopted the Domestic Animal Management Plan 2021-25 which was endorsed by Council on 14 December 2021.

Council has been trialling a new monitor to assist with barking dog compliant assessments. Council has continued to update its animal register with a number of communication activities including door knocks. The use of SMS technology to remind people of animal renewals is successfully working with an increase in payments and notification of changes to address and circumstances.

Food Act 1984

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.

Freedom of Information Act 1982

The Freedom of Information Act 1982 (Vic) was established to provide the community, insofar as practicable, with information in the possession of Victorian agencies, including Councils.

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the Act, Council is required to publish certain statements in their Annual Report or separately such as on its website, concerning its functions and information available. In addition to the Statement published on Council's website, Council provides the following summary of the application and operation of the Freedom of Information Act 1982.

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

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances in accordance with Council's Freedom of Information Policy).

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

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

In the 2022/23 financial year, Council finalised 2 requests that were received in the preceding financial year and finalised 10 requests that were received in the 2022/23 financial year. A further two requests were received in the 2022-23 financial year but were incomplete by 30 June 2023. Three further applications were invalid and were not processed in accordance with the Act.

Further information regarding FOI can be found at www.foi.vic.gov.au and on the Rural City of Wangaratta website.

Planning and Development Act 1987

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

For the 2022-23 year, the following information about infrastructure and development contributions is disclosed.

Development Contributions

Table 1 – Total DCP levies received in 2022-23 financial year

DCP name (Year approved)	Levies received in 2022-23 financial year (\$)
Wangaratta North West Development Contribution Plan, 2018	\$476,811.30
Wangaratta South Development Contribution Plan, 2018	\$0.00
Total	\$476,811.30

Table 2 – DCP land, works, services or facilities accepted as works-in-kind in 2022-23 financial year

DCP name (Year approved)	Project description	Item purpose	Project value (\$)
Wangaratta North West Development Contribution Plan, 2018	Off Road Shared Path - 450 of 568.3 lm constructed	Construction of off road shared pedestrian and cycle path along Three Mile Creek between southern boundary of the growth area and Cruse Street to promote non-car based modes of transport	\$162,751.45
Wangaratta South Development Contribution Plan, 2018	N/A	N/A	\$0.00
Total			\$162,751.45

Table 3 – 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	\$937,689.60	\$8,202,187.60	\$162,751.45	\$1,100,441.05
Wangaratta South Development Contribution Plan, 2018	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$937,689.60	\$8,202,187.60	\$162,751.45	\$1,100,441.05

Table 4 – Land, works, services or facilities delivered in 2022-23 financial year from DCP levies collected

Project Description	DCP name and year approved	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contribution (\$)	Total project expenditure (\$)
Lindner Road Trunk Drainage	Wangaratta North West Development Contribution Plan, 2018	\$102,033.56	–	–	–	\$102,033.56
Upgrade of Christensen Lane from Lindner Road to Wangandary Road to a Collector Street - Level 1 standard.	Wangaratta North West Development Contribution Plan, 2018	\$307,608.50	–	–	–	\$307,608.50
Upgrade of Lindner Road from Worland Road to Christensen Lane to a Collector Street - Level 1 standard.	Wangaratta North West Development Contribution Plan, 2018	\$59,973.80	–	–	–	\$59,973.80
Upgrade of Lindner Road from Christensen Lane to Reith Road to a Collector Street - Level 1 standard.	Wangaratta North West Development Contribution Plan, 2018	\$92,127.50	–	–	–	\$92,127.50
Total		\$561,743.36	\$0.00	\$0.00	\$0.00	\$561,743.36

Public Interests Disclosures Act 2012

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

The Public Interest Disclosures Act 2012 (Vic) aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Council must include in its Annual Report procedures on how to make a disclosure and any disclosures notified to the Independent Broad-based Anti-corruption Commission. Council's Public Interest Disclosure Policy outlines the processes to be followed to ensure a public interest disclosure is made; this policy can be found on our website.

Council had one Public Interest Disclosure in 2022-23.

Road Management Act 2004

In accordance with section 22 of the Road Management Act 2004, Council must 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.



Performance Statement



Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2023

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 3,646 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.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2023

Sustainable Capacity Indicators

	Results				
<i>Indicator / measure</i> [formula]	2020	2021	2022	2023	Comment
Population					
<i>Expenses per head of municipal population</i> [Total expenses/Municipal population]	\$2,449.93	\$2,711.79	\$2,852.89	\$2,545.08	Expenses per head of municipal population fell in 2022/23 reflective of reduced expenditure on non-recurrent operating projects, depreciation and other expenses which are reflective of changes in Council's employee and waste provisions.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$17,748.00	\$19,857.73	\$20,358.35	\$23,415.67	Infrastructure per head of municipal population has increased in comparison to previous financial years, which is reflective of additional assets built through the delivery of Council's capital works program.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	14.69	15.49	15.61	15.85	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,711.21	\$1,780.97	\$1,722.39	\$2,024.36	Own-source revenue per head of municipal population has increased on previous financial years, which is reflective of increases in other income as a result in the reduction of Council provisions.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$593.21	\$617.12	\$688.93	\$691.82	
Disadvantage					
<i>Disadvantage</i> <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	4.00	4.00	4.00	4.00	
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	10.0%	13.4%	24.0%	21.37%	These figures include internal movements such as from Permanent to Casual (which have grown given the wide range of roles at the Wangaratta Sports & Aquatic Centre for example), and movements from Fixed Term roles to other internal positions. Overall turnover was also higher than anticipated, which was common in the sector following the impacts of Covid and a nationwide workforce shortage.

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial

year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

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

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

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2023

Service Performance Indicators

	Results				
Service/indicator/measure [formula]	2020	2021	2022	2023	Comment
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	9.81	9.18	11.08	5.74	Council is unfortunately unable to report an accurate measure due to repeated failings of the visitation system. A project is currently in progress to procure a new system to address these issues. Numbers recorded only show visitation scanned through or invoiced, areas not recorded are visitation to stadiums, and all visitation to centre whilst access gates are open. Estimated loss of visitation recording is 50%. A new system has been procured and will be implemented in the 2023/24 financial year; it is anticipated that this will provide more accurate figures in this financial year.
Animal Management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	0%	0%	Council had no Animal Management Prosecutions in FY22/23
Service/indicator/measure [formula]	2020	2021	2022	2023	Comment
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	78.57%	100.00%	75.00%	108.33%	Council followed up on a critical and major non-compliance outcome notifications when compared to previous years as a result of a dedicated effort from Council's Statutory Services team in actioning notifications in a timely and productive manner.
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]	52	56	60	53	Whilst Regional councils have seen an overall drop in community satisfaction this year (the benchmark score being 50), the decrease in this result after the prior year improvements is disappointing. The Rural City of Wangaratta is currently developing a community engagement online portal to engage residents more actively and easily in decision making on key matters that impact them.
Libraries					
Participation					
<i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	13.64%	11.74%	10.30%	9.73%	

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2023

	Results				
Service/indicator/measure [formula]	2020	2021	2022	2023	Comment
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	80.62%	84.74%	85.03%	82.08%	
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	85.05%	90.38%	83.33%	93.33%	A higher participation rate of 93.33% of all Aboriginal children has been a pleasing return for Council. Council has worked hard with our community to ensure wider participation in Council owned or managed facilities.
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]	57	64	57	50	The satisfaction rating dropped from 57 to 50 largely as a result of major flooding across our municipality.
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	83.33%	33.33%	100.00%	100.00%	All planning decisions that went to VCAT were upheld.
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	61.83%	60.45%	63.18%	61.32%	Returning to pre-covid behaviours, with higher waste generation through businesses and a reduced focus on sorting waste types at home.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2023

Definitions

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2023

Financial Performance Indicators

	Results				Forecasts				
Dimension/indicator/measure	2020	2021	2022	2023	2024	2025	2026	2027	Material Variations and Comments
Efficiency									
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$4,564.99	\$4,939.55	\$5,238.44	\$4,753.25	\$4,774.88	\$4,901.50	\$4,946.44	\$5,157.94	
Revenue level									
Average rate per property assessment [Total rate revenue (general rates and municipal charges) / Number of property assessments]	\$1,725.10	\$1,766.92	\$1,826.31	\$1,886.50	\$1,973.25	\$2,073.56	\$2,158.63	\$2,242.88	
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	140.89%	173.09%	174.12%	192.31%	166.60%	153.51%	109.32%	103.76%	Council's current assets have increased compared to current liabilities primarily as a result of capital works carried forward to future financial years resulting in an increased cash balance and the timing of grant money received in advance of capital works spending which has decreased compared to previous financial years.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	52.36%	63.89%	12.26%	103.11%	89.51%	61.64%	45.58%	14.97%	At 30 June 2023, Council was carrying significantly more unrestricted cash in it's savings account compared to the prior year due to the maturity timing of term deposits before year end.
Obligations									
Loans and borrowings									
Loans and borrowings compared to rates [Interest and principle repayments on bearing loans and borrowings / Rate revenue] x100	49.40%	90.70%	82.47%	72.01%	61.54%	54.83%	52.31%	47.77%	Loans and borrowings compared to rates has decreased due to the repayment of current loans and borrowings with no additional loans drawn down in 2022/23.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2023

	Results				Forecasts				
Dimension/indicator/measure	2020	2021	2022	2023	2024	2025	2026	2027	Material Variations and Comments
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.41%	7.37%	9.11%	8.65%	8.03%	7.76%	7.72%	23.33%	
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	68.73%	99.40%	102.75%	68.36%	83.65%	64.51%	46.80%	50.36%	Non-current liabilities compared to own source revenue has decreased on previous years this is reflective of reduced waste provisions and the decrease of non-current borrowings.
Asset renewal and upgrade									
Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	100.28%	68.78%	69.79%	132.70%	134.85%	55.94%	98.17%	95.22%	Asset renewal and upgrade compared to depreciation has increased on previous financial years reflective of capital works projects delivered during the financial year, primarily the WSAC extension project.
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	-4.15%	-5.74%	-13.03%	8.62%	0.21%	-0.96%	1.06%	-0.20%	Council achieved an adjusted underlying surplus during the 2022/23 financial year, this result is largely reflective of a decrease in the number of non-recurrent operating projects, depreciation expense, the decrease in expenditure is also in addition to increases in other income which is reflective of movements in Council's provisions which have decreased in comparison to previous financial years.
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	49.32%	47.22%	49.67%	46.21%	53.18%	55.07%	55.66%	56.16%	
Rates effort									
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.57%	0.55%	0.54%	0.43%	0.36%	0.37%	0.39%	0.40%	Council rates were subject to the rate cap of 1.75%. During the 2022/23 financial year property values increased substantially more than the rate cap of 1.75%.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2023

Definitions

adjusted underlying revenue means total income other than:

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

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

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

current assets has the same meaning as in the AAS

current liabilities has the same meaning as in the AAS

non-current assets means all assets other than current assets

non-current liabilities means all liabilities other than current liabilities

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

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

population means the resident population estimated by council

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

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

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

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

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

Other Information

For The Year Ended 30 June 2023

Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements.

The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics). The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its financial plan on 28 June 2022 and which forms part of the Council Plan. The financial 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 financial plan can be obtained by contacting Council.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2023

Certification of the Performance Statement

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



Trent Sayers, Financial Controller, CA

Principal Accounting Officer

Dated: 11/10/2023

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

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

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

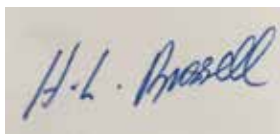
We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2020 to certify this performance statement in its final form.



Cr Dean Rees

Mayor

Dated: 11/10/2023



Cr Harry Bussell

Deputy Mayor

Dated: 11/10/2023



Brendan McGrath

Chief Executive Officer

Dated: 11/10/2023

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 2023 • sustainable capacity indicators for the year ended 30 June 2023 • service performance indicators for the year ended 30 June 2023 • financial performance indicators for the year ended 30 June 2023 • other information and • certification of the performance statement. <p>In my opinion, the performance statement of Wangaratta Rural City Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

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

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

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

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

MELBOURNE
20 October 2023



Travis Derricott
as delegate for the Auditor-General of Victoria

Financial Report



Wangaratta Rural City Council
Financial Report 2022/2023
Certification of the
Financial Statements

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



Trent Sayers, Financial Controller, CA
Principal Accounting Officer
11/10/2023
Wangaratta

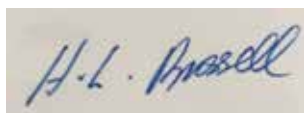
In our opinion the accompanying consolidated financial statements present fairly the financial transactions of the Rural City of Wangaratta and its controlled entity for the year ended 30 June 2023 and the financial position of the Council and its controlled entity as at that date.

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 2020* to certify the financial statements in their final form.



Cr Dean Rees
Mayor
11/10/2023
Wangaratta



Cr Harry Bussell
Deputy Mayor
11/10/2023
Wangaratta



Brendan McGrath
Chief Executive Officer
11/10/2023
Wangaratta

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 entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> consolidated entity and council balance sheet as at 30 June 2023 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 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 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council 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' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's 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	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's 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's 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 the 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.
Auditor's responsibilities for the audit of the financial report	<p>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.</p>

MELBOURNE
20 October 2023


 Travis Derricott
as delegate for the Auditor-General of Victoria

Wangaratta Rural City Council
Financial Report 2022/2023
Consolidated Comprehensive Income Statement
For the Year Ended 30 June 2023

		Consolidated		Council	
		2023	2022	2023	2022
	Note	\$'000	\$'000	\$'000	\$'000
Income / Revenue					
Rates and charges	3.1	38,341	36,835	38,341	36,835
Statutory fees and fines	3.2	1,281	1,577	1,281	1,577
User fees	3.3	11,411	11,031	10,647	10,239
Grants - operating	3.4	22,134	21,868	22,134	21,868
Grants - capital	3.4	14,174	7,930	14,174	7,930
Contributions - monetary	3.5	602	756	602	756
Contributions - non monetary	3.5	945	2,962	945	2,962
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	120	(641)	120	(641)
Other income	3.7	10,016	3,210	10,103	3,208
Total income / revenue		99,024	85,528	98,347	84,734
Expenses					
Employee costs	4.1	30,028	27,841	29,773	27,577
Materials and services	4.2	27,168	27,358	26,990	27,225
Depreciation	4.3	16,529	18,922	16,469	18,893
Amortisation - intangible assets		534	1,659	534	1,659
Amortisation - right of use assets		222	257	209	243
Bad and doubtful debts - allowance for impairment losses		15	114	15	114
Borrowing costs		644	666	644	666
Finance costs - leases		17	28	14	24
Other expenses	4.4	1,528	7,512	1,404	7,415
Total expenses		76,685	84,357	76,052	83,816
Surplus/(deficit) for the year		22,339	1,171	22,295	918
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment/(decrement)	6.2	100,571	3,069	100,571	3,069
Total other comprehensive income		100,571	3,069	100,571	3,069
Total comprehensive result		122,910	4,240	122,866	3,987

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

Wangaratta Rural City Council
Financial Report 2022/2023
Consolidated Balance Sheet
As at 30 June 2023

		Consolidated		Council	
	Note	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets					
Current assets					
Cash and cash equivalents	5.1 (a)	34,380	19,980	34,222	19,513
Trade and other receivables	5.1 (c)	4,549	3,632	4,513	3,559
Other financial assets	5.1 (b)	5,000	31,000	5,000	31,000
Inventories	5.2 (a)	13	5	2	2
Prepayments	5.2 (b)	1,253	1,270	1,253	1,270
Non-current assets classified as held for sale	6.1	647	1,493	647	1,493
Other assets	5.2 (b)	647	292	647	292
Total current assets		46,489	57,672	46,284	57,129
Non-current assets					
Other financial assets	5.1 (b)	277	258	277	258
Property, infrastructure, plant and equipment	6.2	764,796	651,752	764,166	651,406
Right-of-use assets		314	546	246	465
Intangible assets	5.2 (c)	2,662	902	2,662	902
Total non-current assets		768,049	653,458	767,351	653,031
Total assets		814,538	711,130	813,635	710,160
Liabilities					
Current liabilities					
Trade and other payables	5.3 (a)	5,518	8,240	5,472	8,100
Trust funds and deposits	5.3 (b)	2,784	2,102	2,784	2,102
Unearned income/revenue	5.3 (c)	6,623	13,390	6,623	13,390
Provisions	5.5	6,435	6,344	6,412	6,314
Interest-bearing liabilities	5.4	2,628	2,683	2,628	2,683
Lease liabilities		149	234	149	222
Total current liabilities		24,137	32,993	24,068	32,811
Non-current liabilities					
Provisions	5.5	16,178	24,043	16,172	24,038
Interest-bearing liabilities	5.4	25,067	27,695	25,067	27,695
Lease liabilities		186	338	110	263
Total non-current liabilities		41,431	52,076	41,349	51,996
Total liabilities		65,568	85,069	65,417	84,807
Net assets		748,970	626,061	748,218	625,353
Equity					
Contributed equity		152	152	-	-
Accumulated surplus		194,766	175,608	194,166	175,052
Reserves	9.1	554,052	450,301	554,052	450,301
Total Equity		748,970	626,061	748,218	625,353

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

Wangaratta Rural City Council
Financial Report 2022/2023
Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2023

Consolidated	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves		Contributed Equity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of the financial year	626,060	621,811	175,608	179,425	422,921	419,852	27,379	22,382	152	152
Surplus/(deficit) for the year	22,339	1,171	22,339	1,171	-	-	-	-	-	-
Net asset revaluation increment/(decrement)	100,571	3,069	-	-	100,571	3,069	-	-	-	-
Transfers to other reserves	-	10	(13,613)	(12,065)	-	-	13,613	12,075	-	-
Transfers from other reserves	-	-	10,432	7,077	-	-	(10,432)	(7,077)	-	-
Balance at end of the financial year	748,970	626,061	194,766	175,608	523,492	422,921	30,560	27,380	152	152

Council	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves		Contributed Equity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of the financial year	625,352	621,356	175,052	179,122	422,921	419,852	27,379	22,382	-	-
Surplus/(deficit) for the year	22,295	918	22,295	918	-	-	-	-	-	-
Net asset revaluation increment/(decrement)	100,571	3,069	-	-	100,571	3,069	-	-	-	-
Transfers to other reserves	-	10	(13,613)	(12,065)	-	-	13,613	12,075	-	-
Transfers from other reserves	-	-	10,432	7,077	-	-	(10,432)	(7,077)	-	-
Balance at end of the financial year	748,218	625,353	194,166	175,052	523,492	422,921	30,560	27,380	-	-

The statements of change in equity should be read in conjunction with the accompanying notes.

Wangaratta Rural City Council
Financial Report 2022/2023
Consolidated Statement of Cash Flows
For the Year Ended 30 June 2023

	Note	Consolidated		Council	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash flows from operating activities					
Rates and charges		37,832	37,027	37,832	37,027
Statutory fees and fines		1,281	1,577	1,281	1,577
User fees		11,411	11,031	10,647	10,239
Grants - operating		22,134	21,868	22,134	21,868
Grants - capital		14,174	7,930	14,174	7,930
Contributions - monetary	3.5	602	756	602	756
Interest received		1,252	314	1,252	314
Trust funds and deposits taken		681	97	681	97
Reimbursements		207	343	207	343
Other receipts		(6,336)	2,449	(6,351)	2,150
Net GST refund/payment		(130)	39	(130)	42
Employee costs		(29,834)	(27,747)	(29,579)	(27,493)
Materials and services		(29,973)	(26,823)	(29,671)	(26,358)
Short-term, low value and variable lease payments		-	(196)	-	(196)
Net cash provided by/(used in) operating activities	9.2	23,301	28,665	23,079	28,296
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment		(31,423)	(20,963)	(30,992)	(20,732)
Proceeds from sale of property, infrastructure, plant and equipment		188	43	188	43
Net (increase)/decrease in other financial assets		26,000	(20,000)	26,000	(20,000)
Net cash provided by/(used in) investing activities		(5,235)	(40,920)	(4,804)	(40,689)
Cash flows from financing activities					
Finance costs		(728)	(666)	(644)	(666)
Proceeds from borrowings		-	1,000	-	1,000
Repayment of borrowings		(2,683)	(2,688)	(2,683)	(2,688)
Interest paid - lease liability		(17)	(28)	(14)	(24)
Repayment of lease liabilities		(238)	(251)	(225)	(240)
Net cash provided by/(used in) financing activities		(3,666)	(2,633)	(3,566)	(2,618)
Net increase (decrease) in cash and cash equivalents		14,400	(14,888)	14,709	(15,011)
Cash and cash equivalents at the beginning of the financial year		19,980	34,868	19,513	34,524
Cash and cash equivalents at the end of the financial year	5.1	34,380	19,980	34,222	19,513

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

Wangaratta Rural City Council
Financial Report 2022/2023
Consolidated Statement of Capital Works
For the Year Ended 30 June 2023

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Property				
Land improvements	84	289	84	289
Total land	84	289	84	289
Buildings	1,892	3,703	1,892	3,703
Total buildings	1,892	3,703	1,892	3,703
Total property	1,976	3,992	1,976	3,992
Plant and equipment				
Plant, machinery and equipment	2,378	1,252	2,036	1,252
Fixtures, fittings and furniture	57	98	57	98
Computers and telecommunications	806	673	806	673
Art Collection	6	3	6	3
Library books	192	205	192	205
Total plant and equipment	3,439	2,231	3,097	2,231
Infrastructure				
Roads	4,216	4,360	4,216	4,360
Bridges	635	536	635	536
Footpaths and cycleways	569	569	569	569
Drainage	3,289	410	3,289	410
Recreational, leisure and community facilities	7,887	2,552	7,887	2,552
Waste management	2,271	1,295	2,271	1,295
Parks, open space and streetscapes	4,392	3,518	4,392	3,518
Aerodromes	217	652	217	652
Other infrastructure	2,444	647	2,444	647
Total infrastructure	25,920	14,539	25,920	14,539
Total capital works expenditure	31,335	20,762	30,993	20,762
Represented by:				
New asset expenditure	9,481	7,577	9,139	7,577
Asset renewal expenditure	11,020	9,512	11,020	9,512
Asset upgrade expenditure	10,834	3,673	10,834	3,673
Total capital works expenditure	31,335	20,762	30,993	20,762

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

Wangaratta Rural City Council

Financial Report 2022/2023

Notes to the Financial Report

For the Year Ended 30 June 2023

Note 1 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 Consolidated Financial Statements are a general purpose financial report that consists of a Consolidated Comprehensive Income Statement, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Consolidated Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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.

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

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
- other areas requiring judgements

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

Goods and Services Tax (GST)

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

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Note 2 Analysis of our results

Note 2.1 Performance against budget

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

2.1.1 Income / Revenue and expenditure

	Budget	Actual	Variance	Variance	
	2023	2023			
	\$'000	\$'000	\$'000	%	Ref
Income / Revenue					
Rates and charges	38,346	38,341	(5)	(0%)	
Statutory fees and fines	1,440	1,281	(159)	(11%)	1
User fees	11,914	10,647	(1,267)	(11%)	2
Contributions - cash	325	602	277	85%	3
Contributions - non-monetary	1,700	945	(755)	(44%)	4
Grants - Operating	15,660	22,134	6,474	41%	5
Grants - Capital	19,662	14,174	(5,488)	(28%)	6
Other revenue	587	10,103	9,516	1622%	7
Net gain/(loss) on sale/disposal of property, infrastructure	96	120	24	25%	8
Total income / revenue	89,731	98,347	8,616	10%	
Expenses					
Employee costs	28,913	29,773	(860)	(3%)	9
Materials and services	23,734	26,990	(3,256)	(14%)	10
Depreciation	16,900	16,469	431	3%	11
Amortisation - Intangible assets	902	534	368	41%	12
Amortisation - Right of use assets	214	209	5	2%	
Bad and doubtful debts - allowance for impairment losses	-	15	(15)	100%	13
Borrowing costs	622	644	(22)	(4%)	
Finance costs - Leases	14	14	0	0%	
Other expenses	468	1,404	(936)	(200%)	14
Total expenses	71,767	76,052	(4,285)	(6%)	
Surplus/(deficit) for the year	17,964	22,295	4,331	24%	

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Note 2.1 Performance against budget (cont'd)

2.1.1 Income / Revenue and expenditure

(i) Explanation of material variations

Variance	Ref	Item	Explanation
1		Statutory fees and fines	Statutory fees and fines are \$159k less than Budget, this unfavourable variance is largely due to less than expected Community Compliance fines (\$74k), Animal Management fines (\$62k) and Planning Permits (\$40k).
2		User fees	User fees are \$1.27m less than Budget, this unfavourable variance is largely due to Long Day Care (\$678k) due to reduced capacity at facilities as a result of staff availability, Bowser Landfill (\$421k) due to less than anticipated commercial waste and Aged Care Services (\$210k).
3		Contributions - monetary	Contributions - monetary are \$277k more than Budget, this favourable variance is due to additional developer contributions received.
4		Contributions - non monetary	Contributions - non-monetary are \$755k less than Budget, this unfavourable variance is due to less than anticipated gifted assets as a result of developer works throughout the municipality over the course of the year.
5		Grants - Operating	Grants - Operating are \$6.47m greater than Budget, this favourable variance is largely due to the early receipt of the Federal Assistance Grant (\$5.06m) (100% receipt relative to budget assumption of 50%). Additional non-recurrent grant funding for operating projects, including, Flood Event October 2022 (\$501k), Social Inclusion Action Group (\$213k), Strategic Engagement Coordinator (\$140k) and Municipal Fire & Emergency Management Resourcing Program (\$120k).
6		Grants - Capital	Grants - Capital are \$5.49m less than Budget, this unfavourable variance is largely due to Showgrounds Relief Centre (\$1.61m), Prosecco Road Masterplan (\$1.31m) which was recognised in 21/22, Creative Precinct Masterplan (\$949k), Redcamps Bridge (\$416k) which Council was unsuccessful in its application for grant funding, Organics Processing Facility - Picking Station (\$381k), Kerbside Reform - Capital (\$328k) and the Implementation of Glenrowan Historic Precinct Program (\$326k).
7		Other revenue	Other Revenue is \$9.51m greater than Budget, this favourable variance is largely due to movements in the Landfill provision as a result of the impacts of discounting and a reduction in the overall provision (\$7.65m) and additional interest income from investments (\$1.51m).
8		Net gain/(loss) on sale/disposal of property, infrastructure	Net gains from the sale of property and plant are \$24k greater than Budget, this favourable variance is due to a lower written down value on sold items than originally budgeted.
9		Employee Costs	Employee Costs are \$860k greater than Budget as a result of additional employee costs from successful grant funded projects and changes to operating conditions.

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Note 2.1 Performance against budget (cont'd)

2.1.1 Income / Revenue and expenditure

(i) Explanation of material variations

10	Materials and services	Materials and Services are \$3.26m greater than Budget, this unfavourable variance is largely due to an increase or carried over non-recurrent operating projects added during the year that are linked to the increase in operating grant funding (refer to note 5). Other greater than budget variances in materials and services have occurred in Facilities and Building Maintenance (\$937k), Kerbside Collection (\$840k) and WSAC Precinct (\$190k).
11	Depreciation	Depreciation is \$431k less than Budget, this favourable variance is due to lower than anticipated asset capitalisations during the year which resulted in less depreciation recognised.
12	Amortisation- Intangible Assets	Amortisation - Intangible Assets is \$368k less than Budget, this favourable variance is due to delays in the construction of the new landfill cell which was not commissioned until June.
13	Bad and doubtful debts - allowance for impairment losses	Bad & Doubtful Debts were not budgeted for and reflect the expected loss against outstanding sundry, childcare receivables.
14	Other expenses	Other Expenses are \$936k greater than Budget, this unfavourable variance is largely due to the write off of non-capital items from Works in Progress as a result of asset capitalisations.

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Note 2.1 Performance against budget (cont'd)

2.1.2 Capital works

	Budget	Actual	Variance	Variance	
	2023	2023			
	\$'000	\$'000	\$'000	%	Ref
Property					
Land improvements	107	84	(23)	(21%)	1
Total land	107	84	(23)	(21%)	
Buildings	1,755	1,892	137	8%	
Total buildings	1,755	1,892	137	8%	
Total property	1,862	1,976	114	6%	
Plant and equipment					
Plant, machinery and equipment	2,627	2,036	(591)	(22%)	2
Fixtures, fittings and furniture	193	57	(136)	(70%)	3
Computers and telecommunications	1,171	806	(365)	(31%)	4
Art collection	7	6	(1)	(14%)	5
Library books	197	192	(5)	(3%)	
Total plant and equipment	4,195	3,097	(1,098)	(26%)	
Infrastructure					
Roads	4,280	4,216	(64)	(1%)	
Bridges	920	635	(285)	(31%)	6
Footpaths and cycleways	529	569	40	8%	
Drainage	3,088	3,289	201	7%	7
Recreational, leisure and community facilities	14,369	7,887	(6,482)	(45%)	8
Waste management	2,579	2,271	(308)	(12%)	9
Parks, open space and streetscapes	3,432	4,392	960	28%	10
Aerodromes	252	217	(35)	(14%)	11
Other infrastructure	5,914	2,444	(3,470)	(59%)	12
Total infrastructure	35,363	25,920	(9,443)	(27%)	
Total capital works expenditure	41,420	30,993	(10,427)	(25%)	
Represented by:					
New asset expenditure	14,186	9,139	(5,047)	(36%)	
Asset renewal expenditure	10,651	11,020	369	3%	
Asset upgrade expenditure	16,583	10,834	(5,749)	(35%)	
Total capital works expenditure	41,420	30,993	(10,427)	(25%)	

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Variance Ref	Item	Explanation
1	Land Improvements	Variance is less than budget by \$23k largely due to the Native Vegetation First Party Offset Site - Whitfield due to system errors resulting in the incorrect classification of land held.
2	Plant, machinery and equipment	Variance is less than budget by \$591k largely due to delays in the delivery of purchased plant items and the MOR Cover Replacement Machine which has been carried over to 23/24.
3	Fixtures, fittings and furniture	Variance is less than budget by \$136k largely due to Art Gallery Collection Store System and Wangaratta Art Gallery - Exhibition Lighting Upgrade which experienced delays as a result of project rescoping requirements and contractor unavailability, these projects have been carried over to 23/24.
4	Computers and telecommunications	Variance is less than budget by \$365k largely due to ICT Strategy Implementation which was carried over to 23/24 due to scheduling changes with the vendor and Digitisation of Cemetery Records which saw delays as a result of contractor availability.
5	Art collection	Variance is less than budget by \$1k due to delays in obtaining Gallery Acquisitions.
6	Bridges	Variance is less than budget by \$285k largely due to Major Culvert Renewal which was reallocated to Waldara LDRZ Drainage and Bridge Abutment Works which were carried over to 23/24 as a result of delays caused by weather.
7	Drainage	Variance is greater than budget by \$201k largely due to Newman Street Drainage Upgrade which had works bought forward from 23/24, Waldara LDRZ Drainage which had funding reallocated from Major Culvert Renewal, offset by Wangaratta Flood Mitigation Strategy and Design which were carried over to 23/24 as a result of weather delays.
8	Recreational, leisure and community facilities	Variance is less than budget by \$6.48m largely due to WSAC Extension and Showgrounds Relief Centre which were carried over to 23/24.
9	Waste management	Variance is less than budget by \$308k, this is largely due to the Kerbside Reform - Capital which has been delayed pending confirmation on the rollout of the new kerbside glass bin service.
10	Parks, open space and streetscapes	Variance is greater than budget by \$960k largely due to Merriwa Park Retaining Wall which had works bought forward from 23/24, implementation of the Glenrowan Historic Precinct as a result of material cost escalation and the COVID Safe Outdoor Activation Fund as a result of additional funding.
11	Aerodromes	Variance is less than budget by \$35k due to Aerodrome Wildlife Fence which was delivered in the late stages of 21/22 after the budget carry over had already been reflected in the Annual Budget.
12	Other infrastructure	Variance is less than budget by \$3.47m largely due to Prosecco Road Masterplan which was carried over to 23/24 as a result of weather delays, Creative Precinct Masterplan Implementation which was carried over to 23/24 and Project Management Costs allocated to applicable projects.

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Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Executive Services

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

Corporate & Leisure

Corporate & Leisure 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, governance and risk, sports and aquatics, customer services, information technology, records, business systems and procurement.

Sustainability & Culture

Sustainability & Culture provides building, planning and development, local law compliance, cultural and communications services to the municipality. These services include building compliance, planning, local laws, environmental health, school crossings, immunisation, natural resource management and sustainability, economic development, tourism, marketing and communications, library, art gallery, performing arts and events, and aerodrome management.

Community & Infrastructure

Community & Infrastructure provides a vast array of high quality community focused programs, service delivery and communication to residents as well as planning and delivery of Council's capital works. Community & Infrastructure is comprised of recreation, family and early childhood service, aged and disability services, waster management, emergency management, constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community including arboriculture, vegetation management, parks and gardens, and turf management. Specifically for capital works this area is responsible for asset planning and inspection, design and development, project management, community engagement, and contract delivery.

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

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Executive Services	-	884	(884)	-	-
Corporate & Leisure	57,288	12,764	44,524	11,254	3,729
Sustainability & Culture	5,336	10,280	(4,944)	927	1,067
Community & Infrastructure	35,723	52,124	(16,401)	24,128	808,840
	98,347	76,052	22,295	36,308	813,635

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Executive Services	35	807	(772)	-	-
Corporate Services	52,860	34,925	17,935	10,259	1,677
Development Services	3,350	6,919	(3,569)	635	-
Community Wellbeing	16,194	22,089	(5,895)	10,148	2,600
Infrastructure Services	12,295	19,076	(6,781)	8,756	705,883
	84,734	83,816	918	29,798	710,160

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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 2022/23 was \$8.752 billion (2021/22 \$6.786 billion).

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cultural and recreational land	29	26	29	26
Garbage	3,815	3,563	3,815	3,563
General rates	29,854	28,946	29,854	28,946
Organics	1,871	1,744	1,871	1,744
Recycling	2,442	2,281	2,442	2,281
Supplementary rates and rate adjustments	330	275	330	275
Total rates and charges	38,341	36,835	38,341	36,835

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2022, and the valuation was first applied in the rating year commencing 1 July 2022.

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Animal registrations	358	387	358	387
Health fees	184	182	184	182
Infringements and costs	285	538	285	538
Land information certificates	359	34	359	34
Town planning fees	30	378	30	378
Vehicle Crossing	65	58	65	58
Total statutory fees and fines	1,281	1,577	1,281	1,577

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

3.3 User fees

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Aged and health services	1,212	1,216	1,212	1,216
Building services	338	446	338	446
Cemetery	438	352	438	352
Child care/children's programs	2,799	2,720	2,799	2,720
Engineering fee	127	140	127	140
External private works	22	33	22	33
Library	38	31	38	31
Livestock exchange fees	765	792	1	-
Other fees and charges	229	271	229	271
Parking	286	220	286	220
Performing arts & culture	699	415	699	415
Regional certification	4	2	4	2
Rental properties	643	603	643	603
Waste management services	1,754	2,206	1,754	2,206
Wangaratta Sports and Aquatic Centre	2,057	1,584	2,057	1,584
Total user fees	11,411	11,031	10,647	10,239

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.

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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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Summary of grants				
Commonwealth funded grants	22,320	19,409	22,320	19,409
State funded grants	13,988	10,389	13,988	10,389
Total grants received	36,308	29,798	36,308	29,798

(a) Operating Grants

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Recurrent - Commonwealth Government				
Financial Assistance Grants	11,255	10,145	11,255	10,145
Aged & Community Care - Packaged Care	6,876	6,498	6,876	6,498
Recurrent - State Government				
Building	-	75	-	75
Compliance	81	68	81	68
Environmental health	32	42	32	42
Economic development	81	-	81	-
Libraries	266	251	266	251
Family and early childhood services	437	423	437	423
Culture and recreation	115	115	115	115
Maternal and child health	669	600	669	600
Youth Services	79	57	79	57
Projects & Recreation	213	-	213	-
Aged and disability	569	580	569	580
Other	-	-	-	-
Total recurrent operating grants	20,673	18,854	20,673	18,854

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Non-recurrent - Commonwealth Government				
Emergency Assistance	22	102	22	102
Culture and recreation	45	101	45	101
Events	20	38	20	38
Non-recurrent - State Government				
Working for Victoria	-	113	-	113
Gun club rehabilitation	-	640	-	640
Cultural development	60	423	60	423
Emergency Assistance	621	-	621	-
Environmental enhancement	66	67	66	67
Community wellbeing	328	647	328	647
Economic development	2	424	2	424
Events	25	18	25	18
Gallery	60	176	60	176
Childrens services	38	105	38	105
Library	21	-	21	-
Aged and disability	10	10	10	10
Other	143	150	143	150
Total non-recurrent operating grants	1,461	3,014	1,461	3,014
Total operating grants	22,134	21,868	22,134	21,868

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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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Recurrent - Commonwealth Government				
Roads to recovery	-	1,386	-	1,386
Total recurrent capital grants	-	1,386	-	1,386
Non-recurrent - Commonwealth Government				
Recreational, leisure and community facilities	428	87	428	87
Gravel Roads and Substructure	721	-	721	-
Parks, open space and streetscapes	-	312	-	312
Other Infrastructure	2,953	740	2,953	740
Non-recurrent - State Government				
Buildings	53	-	53	-
Land improvements	-	16	-	16
Bridges	(59)	696	(59)	696
Drainage	1,067	-	1,067	-
Library books	-	8	-	8
Roads	-	351	-	351
Footpaths and cycleways	33	154	33	154
Recreational, leisure and community facilities	5,596	121	5,596	121
Waste management	-	54	-	54
Parks, open space and streetscapes	995	2,565	995	2,565
Aerodromes	-	103	-	103
Other Infrastructure	2,387	1,337	2,387	1,337
Total non-recurrent capital grants	14,174	6,544	14,174	6,544
Total capital grants	14,174	7,930	14,174	7,930

(c) Recognition of grant income

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

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

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

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

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

3.4 Funding from other levels of government (cont')

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

General purpose	
Specific purpose grants to acquire non-financial assets	
Other specific purpose grants	
Revenue recognised under AASB 15 Revenue from Contracts with Customers	
Specific purpose grants	

Consolidated		Council	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
11,254	10,145	11,254	10,145
14,095	7,581	14,095	7,581
9,268	9,341	9,268	9,341
1,691	2,731	1,691	2,731
36,308	29,798	36,308	29,798

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

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Operating				
Balance at start of year	356	1,080	356	1,080
Received during the financial year and remained unspent at balance date	475	326	475	326
Received in prior years and spent during the financial year	(108)	(1,050)	(108)	(1,050)
Balance at year end	723	356	723	356
Capital				
Balance at start of year	12,016	8,960	12,016	8,960
Received during the financial year and remained unspent at balance date	5,713	10,181	5,713	10,181
Received in prior years and spent during the financial year	(12,016)	(7,125)	(12,016)	(7,125)
Balance at year end	5,713	12,016	5,713	12,016

Unspent grants are determined and disclosed on a cash basis.

3.5 Contributions

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Monetary	602	756	602	756
Non-monetary	945	2,962	945	2,962
Total contributions	1,547	3,718	1,547	3,718

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

Drainage	351	967	351	967
Paths	165	438	165	438
Roads (including Kerbing)	429	1,557	429	1,557
Total non-monetary contributions	945	2,962	945	2,962

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

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

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Proceeds of sale	1,034	314	1,034	314
Written down value of assets disposed	(914)	(955)	(914)	(955)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	120	(641)	120	(641)

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

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3.7 Other income

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest	1,376	314	1,376	314
Reimbursements - other	207	343	207	343
Recognition of reduction in landfill provision - closed sites	4,368	-	4,368	-
Increase in provision for landfill arising from changes in discount rates	3,237	2,132	3,237	2,132
Found Assets - Paths & Artwork Assets	-	41	-	41
Fair Value Movement - Financial Assets	20	4	20	4
Other	808	376	895	374
Total other income	10,016	3,210	10,103	3,208

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 (a) Employee costs

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	22,838	21,431	22,603	21,200
Annual leave and long service leave	3,386	3,129	3,393	3,119
WorkCover	461	396	459	395
Superannuation	2,742	2,440	2,718	2,418
Fringe benefits tax	64	86	64	86
Other	537	359	536	359
Total employee costs	30,028	27,841	29,773	27,577

(b) Superannuation

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Council made contributions to the following funds:				
Defined benefit fund				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	59	51	59	51
	59	51	59	51
Accumulation funds				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,157	1,125	1,157	1,125
Employer contributions - other funds	1,502	1,215	1,502	1,215
	2,659	2,340	2,659	2,340
Employer contributions payable at reporting date.	-	165	-	165

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

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

4.2 Materials and services

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Advertising and promotion	632	533	632	533
Bank charges	101	107	101	107
Brokerage fees - HACC	-	-	-	-
Building maintenance	147	144	147	144
Community grants and contributions	1,144	765	1,144	765
Consultants	1,331	906	1,331	906
Contract payments	5,965	7,400	5,965	7,400
Insurance	620	638	620	638
Legal expenses	86	74	86	74
Levies and licences	1,235	1,607	1,235	1,607
Livestock exchange	178	133	-	-
Minor equipment	117	190	117	190
Natural disasters	-	-	-	-
Other materials and services	5,738	5,612	5,738	5,612
Packaged care brokerage	3,453	3,018	3,453	3,018
Packaged care unspent funds transferred	73	445	73	445
Plant and equipment maintenance	6	1	6	1
Plant operating	2,169	2,012	2,169	2,012
Postage	81	85	81	85
Printing and stationery	57	56	57	56
Security	237	157	237	157
Software maintenance	1,477	1,174	1,477	1,174
Staff development	429	445	429	445
Subscriptions & publications	7	2	7	2
Telephone	282	360	282	360
Utilities	1,565	1,493	1,565	1,493
Valuation contract	38	1	38	1
Total materials and services	27,168	27,358	26,990	27,225

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

4.3 Depreciation

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Property	1,911	1,890	1,911	1,890
Plant and equipment	2,193	2,615	2,133	2,586
Infrastructure	12,425	14,417	12,425	14,417
Total depreciation	16,529	18,922	16,469	18,893

Refer to note 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Other expenses

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	51	54	43	54
Auditors' remuneration - Internal Audit	39	24	39	24
Councillors' allowances	316	294	316	294
Write off of non-capital items from WIP	916	2,749	916	2,749
Recognition of additional landfill provision - closed sites	-	4,264	-	4,264
Pension rebate -Recycling	44	45	44	45
New industry rate assistance	-	6	-	6
Asset Adjustments	-	-	-	-
MAV Workcare Wind Down Costs	-	223	-	223
Others	162	(147)	46	(244)
Total other expenses	1,528	7,512	1,404	7,415

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Note 5 Our financial position

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
5.1 Financial assets				
(a) Cash and cash equivalents				
Cash on hand	3	4	3	4
Cash at bank	6,866	2,884	6,708	2,417
Money market at call account	27,511	17,092	27,511	17,092
Total cash and cash equivalents	34,380	19,980	34,222	19,513
(b) Other financial assets				
Current				
Term deposits - current	5,000	31,000	5,000	31,000
Total current other financial assets	5,000	31,000	5,000	31,000
Non-current				
Municipal Association Purchasing Scheme (MAPS) shares - non-current	277	258	277	258
Total non-current other financial assets	277	258	277	258
Total other financial assets	5,277	31,258	5,277	31,258
Total financial assets	39,657	51,238	39,499	50,771

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

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
- Trust funds and deposits (Note 5.3)	2,784	2,102	2,784	2,102
- Grants (Note 3.4)	6,436	12,372	6,436	12,372
- Unearned income (Note 5.3)	187	1,018	187	1,018
Total restricted funds	9,407	15,492	9,407	15,492
Total unrestricted cash and cash equivalents	24,973	4,488	24,815	4,021

Intended allocations

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

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
- reserve funds allocated for specific future purposes (Note 9.1(b))	30,561	27,380	30,561	27,380
Total funds subject to intended allocations	30,561	27,380	30,561	27,380

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

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

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

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Note 5 Our financial position (cont'd)

5.1 Financial assets (cont'd)

(c) Trade and other receivables

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
<i>Statutory receivables</i>				
Rates and garbage debtors	1,502	993	1,502	993
Fire services property levy	200	165	200	165
Cemetery	69	57	69	57
Parking and animal infringement debtors	1,084	1,032	1,084	1,032
Less provision for doubtful debts - parking infringements	(477)	(442)	(477)	(442)
Interest on rates and garbage receivable and investments	124	145	124	145
Net GST receivable	472	342	472	342
<i>Non Statutory receivables</i>				
Livestock Exchange	36	73	-	-
Other debtors	1,554	1,320	1,554	1,320
Less provision for doubtful debts - other debtors	(15)	(53)	(15)	(53)
Total trade and other receivables	4,549	3,632	4,513	3,559

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current (not yet due)	1,444	1,162	1,408	1,089
Past due by up to 30 days	60	113	60	113
Past due between 31 and 180 days	86	118	86	118
Total trade and other receivables	1,590	1,393	1,554	1,320

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$15k (2022: \$53k) were impaired. The amount of the provision raised against these debtors was \$15k (2022: \$53k). 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.

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Note 5 Our financial position (cont'd)

5.2 Non-financial assets

(a) Inventories

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Inventories held for distribution	13	5	2	2
Total inventories	13	5	2	2

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for

(b) Other assets

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Prepayments	1,253	1,270	1,253	1,270
Accrued income	647	292	647	292
Total other assets	1,900	1,562	1,900	1,562

(c) Intangible assets

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Landfill air space	2,662	902	2,662	902
Total intangible assets	2,662	902	2,662	902
	Landfill \$'000	Total \$'000	Landfill \$'000	Total \$'000

Gross carrying amount

Balance at 1 July 2022	4,538	4,538	4,538	4,538
Additions from internal developments	2,294	-	2,294	-
Balance at 30 June 2023	6,832	4,538	6,832	4,538

Accumulated amortisation and impairment

Balance at 1 July 2022	3,636	1,976	3,636	1,976
Amortisation expense	534	1,660	534	1,660
Balance at 30 June 2023	4,170	3,636	4,170	3,636

Net book value at 30 June 2022	902	2,562	902	2,562
Net book value at 30 June 2023	2,662	902	2,662	902

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.

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Note 5 Our financial position (cont'd)

5.3 Payables, trust funds and deposits and unearned income/revenue

(a) Trade and other payables

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
<i>Non-statutory payables</i>				
Materials and contracts	2,396	7,321	2,379	7,207
Employee costs	821	462	821	461
Accrued expenses	2,285	444	2,272	432
June BAS Livestock	16	13	-	-
Total current trade and other payables	5,518	8,240	5,472	8,100

(b) Trust funds and deposits

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Fire services levy	503	318	503	318
Retention contract deposits	1,201	524	1,201	524
Refundable subdivision securities	745	753	745	753
Wangaratta Performing Arts Centre	271	449	271	449
Other	64	58	64	58
Total current trust funds and deposits	2,784	2,102	2,784	2,102

(c) Unearned income/ revenue

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Grants received in advance - operating	723	356	723	356
Grants received in advance - capital	5,713	12,016	5,713	12,016
Other (Funding held for Aged & Disability customers)	187	1,018	187	1,018
Total current unearned income/revenue	6,623	13,390	6,623	13,390

Unearned income/revenue represents contract liabilities and reflect consideration received in advance of program delivery including capital project grant funds and operating grants. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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

Purpose and nature of items

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.

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Note 5 Our financial position (cont'd)

5.4 Interest-bearing liabilities

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Borrowings - secured	2,628	2,683	2,628	2,683
	2,628	2,683	2,628	2,683
Non-current				
Treasury Corporation of Victoria borrowings - secured	5,118	5,783	5,118	5,783
Borrowings - secured	19,949	21,912	19,949	21,912
	25,067	27,695	25,067	27,695
Total	27,695	30,378	27,695	30,378

Borrowings are secured by general rates.

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

Not later than one year	2,628	2,683	2,628	2,683
Later than one year and not later than five years	15,236	17,865	15,236	17,865
Later than five years	9,831	9,830	9,831	9,830
	27,695	30,378	27,695	30,378

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.

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5.5 Provisions

2023

Balance at beginning of the financial year
Additional provisions
Amounts used
Change in the discounted amount arising because of time
and the effect of any change in the discount rate
Balance at the end of the financial year

Employee	Landfill restoration	Total
\$ '000	\$ '000	\$ '000
7,123	23,231	30,354
2,242	-	2,242
(2,381)	(4,368)	(6,749)
(26)	(3,237)	(3,263)
6,958	15,626	22,584

Provisions - current
Provisions - non-current

6,412 - 6,412
546 15,626 16,172

2022

Balance at beginning of the financial year
Additional provisions
Amounts used
Change in the discounted amount arising because of time
and the effect of any change in the discount rate
Balance at the end of the financial year

6,847	21,339	28,186
2,050	4,263	6,313
(1,588)	(239)	(1,827)
(186)	(2,132)	(2,318)
7,123	23,231	30,354

Provisions - current
Provisions - non-current

6,314 - 6,314
809 23,231 24,040

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5.5 Provisions (cont'd)

(a) Employee provisions

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current provisions expected to be wholly settled within 12 months				
Annual leave	2,423	2,436	2,404	2,414
Long service leave	525	290	525	290
Accumulated time	245	296	245	296
Time accrued	4	8	-	-
	3,197	3,030	3,174	3,000
Current provisions expected to be wholly settled after 12 months				
Annual leave	172	285	172	285
Long service leave	3,066	3,029	3,066	3,029
	3,238	3,314	3,238	3,314
Total current employee provisions	6,435	6,344	6,412	6,314
Non-current				
Long service leave	552	814	546	809
Total non-current employee provisions	552	814	546	809
Aggregate carrying amount of employee provisions:				
Current	6,435	6,344	6,412	6,314
Non-current	552	814	546	809
Total aggregate carrying amount of employee provisions	6,987	7,158	6,958	7,123

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

Annual leave

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

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
- discount rate	4.06%	3.69%	4.06%	3.69%
- inflation rate	4.35%	1.50%	4.35%	1.50%

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Note 5 Our financial position (cont'd)

5.5 Provisions (cont'd)

(b) Landfill restoration

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current	-	-	-	-
Non-current	15,626	23,229	15,626	23,229
	15,626	23,229	15,626	23,229

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

Key assumptions:

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
- discount rate	5.16%-5.93%	3.61%-5.63%	5.16%-5.93%	3.61%-5.63%
- index rate	8.50%	6.01%	8.50%	6.01%

5.6 Financing arrangements

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

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Bank overdraft	400	400	400	400
Credit card facilities	213	213	213	213
Treasury Corporation of Victoria facilities	5,118	5,783	5,118	5,783
Loans	22,577	24,595	22,577	24,595
Total facilities	28,308	30,991	28,308	30,991
Used facilities	27,755	30,427	27,755	30,427
Unused facilities	553	564	553	564

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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
2023	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling Contract	1,370	-	-	-	1,370
Co Store Car Park	481	495	1,577	2,960	5,513
High Country Library Network	29	29	29	-	87
Pound Services	86	86	-	-	172
Payroll Software	37	-	-	-	37
Security	269	269	269	-	807
Cleaning	463	463	-	-	926
Fleet Purchase - 4 x Waste Compactor Trucks	1,918	-	-	-	1,918
Fleet Purchase - Wide Area Mower	136	-	-	-	136
Event Management System	44	44	44	44	176
Core Business Platform	444	389	-	-	833
IT Licences	770	715	641	-	2,126
IT Leases	167	46	92	-	305
Survey Services	26	26	-	-	52
Total	6,240	2,562	2,652	3,004	14,458
Capital					
Scott Street Footpath Construction	123	-	-	-	123
Supply and Construction of Shed contract	342	-	-	-	342
Cheshunt Streetscape Redevelopment	718	-	-	-	718
Magpies FNC Changeroom Upgrades	822	-	-	-	822
Flood Levee Upgrades Wilson Road & Parfitt Road	2,667	-	-	-	2,667
Wangaratta Sports & Aquatic Centre Expansion	5,576	-	-	-	5,576
Whitfield Adventure Playspace Design & Construct	643	-	-	-	643
Glenrowan Interpretive Centre Fit Out	74	-	-	-	74
Bowser Landfill Cell Construction	500	-	-	-	500
King Valley Cycling Trail	383	-	-	-	383
Everton Tennis Courts	380	-	-	-	380
Pile Driving Lions Club Shed Showgrounds	150	-	-	-	150
Detailed Design Organics Expansion	104	-	-	-	104
Total	12,482	-	-	-	12,482

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Our financial position (cont'd)

Commitments

(a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Operating					
Recycling Contract	1,440	1,440	-	-	2,880
Co Store Car Park	485	485	1,505	4,362	6,837
High Country Library Network	328	328	984	984	2,624
Pound Services	90	-	-	-	90
Payroll Software	41	-	-	-	41
Security	96	-	-	-	96
Vehicle Fleet Leases	480	120	-	-	600
IT Licences	843	798	488	-	2,129
Cleaning	105	-	-	-	105
Environmental Health Services	306	-	-	-	306
Grit and Resilience	37	-	-	-	37
Employee Survey Services	26	26	-	-	52
Total	4,277	3,197	2,977	5,346	15,797
Capital					
HVAC	522	-	-	-	522
Picking Station	411	-	-	-	411
Cells 6 Capping Construction	568	-	-	-	568
Material Regulating Device	90	-	-	-	90
Whitfield Street scape and Intersection upgrade	1,871	-	-	-	1,871
Major Patching Asphalt Works	117	-	-	-	117
Maturation pad construction	108	-	-	-	108
Trommel - Finished product screen	44	-	-	-	44
Township Entrance Signage Replacement	58	-	-	-	58
Detour Road Bridge Overlay	203	-	-	-	203
Glenrowan Interpretative Centre	3,425	-	-	-	3,425
Glenrowan Interpretative Centre	91	-	-	-	91
Glenrowan Interpretative Centre - Multimedia Production	195	-	-	-	195
ICT Strategy	194	147	443	-	784
Mackay Street drainage reconstruction	205	-	-	-	205
Plant Replacement Program	739	-	-	-	739
King Valley Playground Update	65	-	-	-	65
Total	8,906	147	443	-	9,496

(b) Operating lease receivables

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Not later than one year	395	426	395	426
Later than one year and not later than five years	443	144	443	144
Later than five years	374	382	374	382
	1,212	952	1,212	952

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Note 6 Assets we manage

6.1 Non current assets classified as held for sale

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at start of year	1,493	1,658	1,493	1,658
Less assets disposed	(846)	(245)	(846)	(245)
Assets transferred from IPP&E	-	357	-	357
Revaluation	-	(277)	-	(277)
Total non current assets classified as held for sale	647	1,493	647	1,493

At 30 June 2023 Non-Current Assets held for sale include the remaining part of the old Ovens College site of \$347,200, proposed logistics facility \$276,390 and Community Centre \$23,220.

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.

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6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

Consolidated	Carrying amount											Carrying amount									
	30 June 2022	\$'000	Additions	\$'000	Contributions	\$'000	Found Assets	\$'000	Revaluation	\$'000	Depreciation	\$'000	Disposal	\$'000	Write-off	\$'000	Transfers	\$'000	Transfers WIP	\$'000	30 June 2023
Property	110,166	-	-	-	-	-	-	32,087	-	(1,914)	-	-	-	-	-	10,819	-	2,773	-	153,931	-
Plant and equipment	12,697	343	-	-	-	-	-	-	-	(2,192)	-	-	-	-	-	-	-	1,352	-	12,200	-
Infrastructure	493,677	-	945	-	-	-	-	68,484	-	(12,423)	-	(68)	-	-	-	(10,819)	-	2,872	-	542,668	-
Work in progress	35,212	30,992	-	-	-	-	-	-	-	-	-	-	-	(916)	-	-	-	(9,291)	-	55,997	-
	651,752	31,335	945	-	100,571	(16,529)	(68)	(916)	-	(2,294)	-	764,796	-								

Council	Carrying amount																	Carrying amount			
	30 June 2022	\$'000	Additions	\$'000	Contributions	\$'000	Found Assets	\$'000	Revaluation	\$'000	Depreciation	\$'000	Disposal	\$'000	Write-off	\$'000	Transfers	\$'000	Transfers WIP	\$'000	30 June 2023
Property		110,166	-	-	-	-	-	32,087	-	(1,914)	-	-	-	-	-	10,819	-	2,773	-	153,931	
Plant and equipment		12,351	-	-	-	-	-	-	-	(2,133)	-	-	-	-	-	-	-	1,352	-	11,570	
Infrastructure		493,677	-	945	-	-	-	68,484	-	(12,423)	(68)	-	-	-	-	(10,819)	-	2,872	-	542,668	
Work in progress		35,212	30,992	-	-	-	-	-	-	-	-	-	-	-	(916)	-	-	(9,291)	-	55,997	
		651,406	30,992	945	-	-	-	100,571	-	(16,470)	(68)	-	-	-	(916)	-	-	(2,294)	-	764,166	

Summary of Work in Progress

Consolidated / Council	Opening WIP											Closing WIP
	\$'000	Additions	\$'000	Write-off	\$'000	Transfers	\$'000	Revaluation	\$'000			\$'000
Property	5,669	1,976		(235)		(1,908)		-				5,502
Plant and equipment	1,467	3,440		-		(1,393)		-				3,514
Infrastructure	28,076	25,919		(681)		(5,990)		-				47,324
Total	35,212	31,335		(916)		(9,291)		-				56,340

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

(a) Property
Council

	Land - specialised	Land - non specialised	Land improvements	Total Land & Land Improvements	Heritage buildings	Buildings - non specialised	Total Buildings	Work in Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	23,754	35,947	20,223	79,924	2,879	97,354	100,233	5,669	185,826
Accumulated depreciation at 1 July 2022	-	-	(12,574)	(12,574)	(2,396)	(55,021)	(57,417)	-	(69,991)
	23,754	35,947	7,649	67,350	483	42,333	42,816	5,669	115,835
Movements in fair value									
Additions	-	-	-	-	-	-	-	1,976	1,976
Contributions	-	-	-	-	-	-	-	-	-
Found Assets	-	-	-	-	-	-	-	-	-
Revaluation	4,383	349	76	4,808	1,056	11,181	12,237	-	17,045
Disposal	-	-	-	-	-	-	-	-	-
Transfer to Assets Held for Sale	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	(235)	(235)
Transfers	-	-	854	854	-	24,966	24,966	-	25,820
Transfers WIP	-	-	-	-	-	2,773	2,773	(1,908)	865
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
	4,383	349	930	5,662	1,056	38,920	39,976	(167)	45,471
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	(325)	(325)	(12)	(1,577)	(1,589)	-	(1,914)
Revaluation	-	-	-	-	(59)	15,101	15,042	-	15,042
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	(14,884)	(14,884)	-	(15,001)
Transfers	-	-	(117)	(117)	-	-	-	-	-
	-	-	(442)	(442)	(71)	(1,360)	(1,431)	-	(1,873)
At fair value 30 June 2023	28,137	36,296	21,153	85,586	3,935	136,274	140,209	5,502	231,297
Accumulated depreciation at 30 June 2023	-	-	(13,016)	(13,016)	(2,467)	(56,381)	(58,848)	-	(71,864)
Carrying amount	28,137	36,296	8,137	72,570	1,468	79,893	81,361	5,502	159,433

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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 2022	24,116	1,725	5,046	1,769	1,806	34,462	1,467	35,929
Accumulated depreciation at 1 July 2022	(15,488)	(1,156)	(4,146)	(975)	-	(21,765)	-	(21,765)
	8,628	569	900	794	1,806	12,697	1,467	14,164
Movements in fair value								
Additions	343	-	-	-	-	343	3,097	3,440
Contributions	-	-	-	-	-	-	-	-
Found Assets	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Disposal	(235)	-	-	-	-	(235)	-	(235)
Write-off	-	-	-	-	-	-	-	-
Transfers WIP	1,352	-	-	-	-	1,352	(1,393)	(41)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
	1,460	-	-	-	-	1,460	1,704	3,164
Movements in accumulated depreciation								
Depreciation and amortisation	(1,625)	(39)	(351)	(177)	-	(2,192)	-	(2,192)
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	235	-	-	-	-	235	-	235
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
	(1,390)	(39)	(351)	(177)	-	(1,957)	-	(1,957)
At fair value 30 June 2023	25,576	1,725	5,046	1,769	1,806	35,922	3,171	39,093
Accumulated depreciation at 30 June 2023	(16,878)	(1,195)	(4,497)	(1,152)	-	(23,722)	-	(23,722)
Carrying amount	8,698	530	549	617	1,806	12,200	3,171	15,371

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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 2022	23,686	1,725	5,046	1,769	1,806	34,032	1,467	35,499
Accumulated depreciation at 1 July 2022	(15,404)	(1,156)	(4,146)	(975)	-	(21,681)	-	(21,681)
	8,282	569	900	794	1,806	12,351	1,467	13,818
Movements in fair value								
Additions	-	-	-	-	-	-	3,097	3,097
Contributions	-	-	-	-	-	-	-	-
Found Assets	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Disposal	(235)	-	-	-	-	(235)	-	(235)
Write-off	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Transfers WIP	1,352	-	-	-	-	1,352	(1,393)	(41)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
	1,117	-	-	-	-	1,117	1,704	2,821
Movements in accumulated depreciation								
Depreciation and amortisation	(1,566)	(39)	(351)	(177)	-	(2,133)	-	(2,133)
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	235	-	-	-	-	235	-	235
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
	(1,331)	(39)	(351)	(177)	-	(1,898)	-	(1,898)
At fair value 30 June 2023	24,803	1,725	5,046	1,769	1,806	35,149	3,171	38,320
Accumulated depreciation at 30 June 2023	(16,735)	(1,195)	(4,497)	(1,152)	-	(23,579)	-	(23,579)
Carrying amount	8,068	530	549	617	1,806	11,570	3,171	14,741

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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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	409,727	109,608	29,860	55,255	63,730	21,109	15,007	6,739	3,555	53	28,076
Accumulated depreciation at 1 July 2022	(109,708)	(25,778)	(13,426)	(16,981)	(26,925)	(17,198)	(8,440)	(1,359)	(1,147)	(5)	-
	300,019	83,830	16,433	38,275	36,806	3,911	6,567	5,380	2,408	47	28,076
Movements in fair value											
Additions	-	-	-	-	-	-	-	-	-	-	25,919
Contributions	429	-	165	351	-	-	-	-	-	-	-
Found Assets	-	-	-	-	-	-	-	-	-	-	-
Revaluation	40,755	11,388	2,404	5,600	5,385	3,768	961	807	352	-	-
Disposal	-	(118)	(41)	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-	(681)
Transfers	-	-	-	-	(25,820)	-	-	-	-	-	-
Transfers WIP	20	282	124	14	76	-	1,571	785	-	-	(5,990)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
	41,204	11,552	2,652	5,965	(20,359)	3,768	2,532	1,592	352	-	19,248
Movements in accumulated depreciation											
Depreciation and amortisation	(7,167)	(1,178)	(1,000)	(775)	(929)	(276)	(861)	(190)	(45)	(2)	-
Revaluation	-	-	-	-	-	(2,936)	-	-	-	-	-
Accumulated depreciation of disposals	-	54	37	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	15,001	-	-	-	-	-	-
	(7,167)	(1,124)	(963)	(775)	14,072	(3,212)	(861)	(190)	(45)	(2)	-
At fair value 30 June 2023	450,931	121,160	32,512	61,220	43,371	24,877	17,539	8,331	3,907	53	47,324
Accumulated depreciation at 30 June 2023	(116,875)	(26,902)	(14,389)	(17,756)	(12,853)	(20,410)	(9,301)	(1,549)	(1,192)	(7)	-
Carrying amount	334,056	94,258	18,123	43,464	30,518	4,467	8,238	6,782	2,715	46	47,324

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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
landfill assets	1-11 years	1
Buildings	10-100 years	10
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 and cycleways	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.

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

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

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

Valuations of land and land improvements was last undertaken in 2021 by a qualified independent valuer Martin Burns of Liquid Pacific Holding Pty Ltd. Valuations of buildings and heritage buildings was undertaken in 2023 by a qualified independent valuer LG Valuations (Principal Marcus Hann, Valuer No. 62901). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date of the current valuations are detailed in the following table. An indexed based revaluation was conducted by Council in the current year for all of Council's assets that were not subject to a formal valuation. This index valuation was based on ABS and VGV price indices, where applicable.

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

Council	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
	\$'000	\$'000	\$'000		
Land	-	36,296	-	Jun-23	Index
Specialised land	-	-	28,137	Jun-23	Index
Land Improvements	-	-	8,137	Jun-23	Index
Heritage Buildings	-	-	1,468	Jun-23	Full
Buildings	-	-	79,893	Jun-23	Full
Total	-	36,296	117,635		

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

Valuation of infrastructure

Valuation of infrastructure assets (excluding aerodromes and waste management) has been determined in accordance with an independent valuation undertaken in 2021 by Jenny Hart, Asset Planning Coordinator, BGeom (University Melbourne); BSc (Melbourne University), MSc (Ohio State University). As outlined in the table below, an index valuation conducted by Council was applied for 2023 to all asset classes other than waste management. ABS and VGV price indices were applied, where applicable.

The valuation is at fair value based on current 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 2023 are as follows:

Council	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
	\$'000	\$'000	\$'000		
Roads	-	-	334,056	Jun-23	Index
Bridges	-	-	94,258	Jun-23	Index
Footpaths and cycleways	-	-	18,123	Jun-23	Index
Drainage	-	-	43,464	Jun-23	Index
Recreational, leisure and community facilities	-	-	30,518	Jun-23	Index
Waste management	-	-	4,467	Jun-23	Full
Parks, open space and streetscapes	-	-	8,238	Jun-23	Index
Aerodromes	-	-	6,782	Jun-23	Index
Off Street Car Parks	-	-	2,715	Jun-23	Index
Other infrastructure	-	-	46	May-21	N/A
Total	-	-	542,667		

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.

Specialised buildings are valued using a current 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 \$125 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 current 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

	2023	2022
	\$'000	\$'000
Land under roads	28,137	23,754
Total specialised land	28,137	23,754

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6.3 Investments in associates, joint arrangements and subsidiaries

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.

	2023	2022
	\$'000	\$'000
Summarised financial information		
Summarised statement of comprehensive income		
Total income	765	794
Total expenses	633	536
Total comprehensive result	132	258
Summarised balance sheet		
Current assets	204	543
Non-current assets	698	429
Total assets	902	972
Current liabilities	81	182
Non-current liabilities	68	80
Total liabilities	149	262
Net Assets	753	710
Summarised statement of cash flows		
Net cash provided by/(used in) operating activities	222	277
Net cash provided by/(used in) investing activities	(431)	(139)
Net cash provided by/(used in) financing activities	(100)	(15)
Net increase/(decrease) in cash and cash equivalents	(309)	123

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2023, 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

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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

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of The Rural City of Wangaratta. The Councillors, Chief Executive Officer and Executive Directors are deemed KMP.

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)
3. Dave Fuller
4. Harvey Benton
5. Ashlee Fitzpatrick
6. Irene Grant
7. Jack Herry

Executive Management

1. Brendan McGrath - Chief Executive Officer
2. Marcus Goonan - Director Community & Infrastructure
3. Sarah Brindley - Director Corporate & Leisure
4. Stephen Swart - Director Sustainability & Culture

Total Number of Councillors

Total of Chief Executive Officer and other Key Management Personnel

Total Number of Key Management Personnel

2023	2022
No.	No.
7	7
4	5
11	12

(c) Remuneration of Key Management Personnel

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

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

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

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

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

Total remuneration of key management personnel was as follows:

Short-term employee benefits
Other long-term employee benefits
Post-employment benefits
Termination benefits
Total

2023	2022
\$'000	\$'000
1,182	1,174
48	21
80	77
-	39
1,310	1,311

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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
\$40,000 - \$49,999
\$50,000 - \$79,999
\$80,000 - \$89,999
\$90,000 - \$99,999
\$170,000 - \$179,999
\$200,000 - \$209,999
\$210,000 - \$219,999
\$300,000 - \$309,999
\$310,000 - \$319,999
\$320,000 - \$329,999
\$330,000 - \$339,999

2023	2022
No.	No.
-	-
-	-
-	4
5	1
-	1
1	-
-	-
1	2
-	-
1	3
2	-
-	1
-	-
-	-
1	-
11	12

(d) Remuneration of other senior staff

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

Total remuneration of other senior staff was as follows:

Short-term employee benefits
Other long-term employee benefits
Post-employment benefits
Termination benefits
Total

2023	2022
\$'000	\$'000
684	397
83	15
72	40
-	58
839	510

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

Income Range:
\$160,000 - \$169,999
\$170,000 - \$179,999
\$180,000 - \$189,999

2023	2022
No.	No.
3	2
2	1
-	-
5	3

Total remuneration for the reporting year for other senior staff included above, amounted to:

839 510

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

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Note 7 People and relationships (cont'd)

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 Wangaratta Festival of Jazz & Blues \$7,000 (2021/22 \$14,300).
2. Fees paid to Fallons Bus Lines \$2,728 (2021/22 \$3,109).
3. Fees paid to Alpine Building Permits & Consultants Pty Ltd \$22,760 (2021/22 \$0).
4. Fees paid to Molly Herry-Carscallen \$511 (2021/22 \$0).
5. Contributions and fees paid to Wangaratta Farmers Markets Inc \$6,000 (2021/22 \$5,000). A key management person is a member of the Committee of Management.
6. Contributions paid to Tourism North East \$153,450 (2021/22 \$162,331).
7. Fees paid to Goulburn Ovens Institute of TAFE \$2,602 (2021/22 \$1,399).
8. Fees paid to TAFCO Rural Supplies \$1,650 (2021/22 \$0).
9. Contributions and fees paid to LGPro Board \$0 (2021/22 \$49,525).

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.

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Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

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 \$30.24m and \$6.8m for the North-West and South Growth Areas DCP's respectively (indexed).

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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 2023.

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.

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

Legal Matters

Council is presently involved in several legal matters which are being conducted by council's solicitors. Council does not have any major legal matters that could have a material impact on future operations at the time of preparation of these financial statements.

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Note 8 Managing uncertainties (cont'd)

8.1 Contingent assets and liabilities (cont'd)

(c) Guarantees for loans to other entities

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

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

(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 to demonstrate the DCP funds expended. DCP funds expended up to 30 June 2023 are \$8,202,187.60 & \$2,706.25 on the North-West DCP & South DCP respectively. At 30 June 2023 Council has an obligation to construct infrastructure of \$41.8m and \$7.8m 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 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 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 and TCV 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.

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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 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of +2% and -2% in market interest rates (AUD) from year-end rates of 1.13%.

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.

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	3 years
Buildings	3 years
Roads	5 years
Bridges	5 years
Footpaths and cycleways	5 years
Drainage	5 years
Recreational, leisure and community facilities	5 years
Waste management	5 years
Parks, open space and streetscapes	5 years
Aerodromes	5 years
Other infrastructure	5 years

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.

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Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

Consolidated

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000

2023

Property

Land and land improvements

33,628

4,808

38,436

Buildings

13,161

27,279

40,440

46,789

32,087

78,876

Plant & Equipment

Library books

175

-

175

Art Collection

467

-

467

642

-

642

Infrastructure

Roads

265,581

40,755

306,336

Bridges

73,744

11,388

85,132

Footpaths and cycleways

5,097

2,404

7,501

Drainage

20,990

5,600

26,590

Recreational, Leisure and community facilities

957

5,385

6,342

Parks, open space and streetscapes

1,947

961

2,908

Aerodromes

5,298

807

6,105

Offstreet car parks

1,877

352

2,229

Waste Management

-

832

832

375,491

68,484

443,975

Total asset revaluation reserves

422,922

100,571

523,493

2022

Property

Land and land improvements

33,297

331

33,628

Buildings

10,307

2,854

13,161

43,604

3,185

46,789

Plant & Equipment

Library books

293

(118)

175

Art Collection

467

-

467

760

(118)

642

Infrastructure

Roads

265,581

-

265,581

Bridges

73,744

-

73,744

Footpaths and cycleways

5,097

-

5,097

Drainage

20,990

-

20,990

Recreational, leisure and community facilities

955

2

957

Parks, open space and streetscapes

1,947

-

1,947

Aerodromes

5,298

-

5,298

Offstreet car parks

1,877

-

1,877

375,489

2

375,491

Total asset revaluation reserves

419,853

3,069

422,922

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.

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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
2023				
Cemetery	372	438	(444)	366
Developers' contributions	90	-	-	90
Developers' contribution for recreation	637	555	-	1,192
CSNE integration	135	-	-	135
HACC	153	-	-	153
Industrial land	756	958	(846)	868
Performing arts centre	-	-	-	-
Replacement of plant	6,408	2,423	(1,725)	7,106
Replacement of plant - CSNE	4	-	-	4
Waste and Landfill	18,825	9,239	(7,417)	20,647
North Wangaratta Recreation Reserve	-	-	-	-
Total Other reserves	27,380	13,613	(10,432)	30,561
2022				
Cemetery	122	587	(337)	372
Loans	-	-	-	-
Developers' contributions	90	-	-	90
Developers' contribution for recreation	375	262	-	637
CSNE integration	135	-	-	135
HACC	144	9	-	153
Industrial land	603	153	-	756
Performing arts centre	(1)	1	-	-
Replacement of plant	4,543	2,246	(381)	6,408
Replacement of plant - CSNE	4	-	-	4
Regional playground	-	-	-	-
Waste and Landfill	16,305	8,817	(6,297)	18,825
Livestock selling complex	-	-	-	-
Unfunded superannuation	-	-	-	-
Municipal Fire & Emergency Mgt Resourcing	-	-	-	-
North Wangaratta Recreation Reserve	62	-	(62)	-
Total Other reserves	22,382	12,075	(7,077)	27,380

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

The reserves for developer contributions will be utilised to develop recreation and other facilities for residents in the respective development areas. Developer 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 2022/23. 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 Waste and Landfill reserve is for future capital works and rehabilitation of landfill sites.

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

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Surplus/(deficit) for the year	22,427	1,171	22,295	918
Depreciation and amortisation	17,285	20,838	17,212	20,795
Profit/(loss) on disposal of property, infrastructure, plant and equipment	120	641	120	641
Finance costs	658	694	658	690
Fair value adjustments	3,002	(2,228)	3,002	(2,217)
Recognition of additional landfill provision - closed sites	(3,237)	4,264	(3,237)	4,264
Assets written-off / impaired	(916)	2,749	(916)	2,749
Contributions - Non-monetary assets	(945)	(2,962)	(945)	(2,962)
Found Assets	-	(41)	-	(41)
Bad Debts	15	114	15	114
	-	-	-	-
Change in assets and liabilities:				
(Increase)/decrease in trade and other receivables	(916)	1,772	(954)	1,817
(Increase)/decrease in other assets	(338)	(358)	(338)	(358)
(Increase)/decrease in inventories	(8)	2	-	-
Increase/(decrease) in trade and other payables	2,622	1,296	2,628	1,194
Increase/(decrease) in trust funds and deposits	682	154	682	143
(Decrease)/increase in unearned income/revenue	(6,767)	459	(6,767)	459
Increase/(decrease) in provisions	(7,775)	100	(7,768)	90
Increase/(decrease) in intangibles	1,760	-	1,760	-
Net cash provided by/(used in) operating activities	27,669	28,665	27,447	28,296

9.3 Superannuation

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

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022: 10%)).

Defined Benefit

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

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

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9.3 Superannuation (cont'd)

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.8% pa

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

Net investment returns 5.5% pa
Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI) 3.0% pa

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). Vision Super has advised that the estimated VBI at June 2023 was 104.1%. The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2022 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2023, this rate was 10.5% of members' salaries (10% in 2021/22). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2022 interim valuation.

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

(b) Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

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9.3 Superannuation (cont'd)

The 2022 interim actuarial investigation surplus amounts

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

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2022.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2022.

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

The 2023 triennial actuarial investigation

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

	2023 Triennial investigation	2020 Triennial investigation
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.5% pa	2.5% pa for the first two years and 2.75% thereafter
Price inflation	2.8%pa	2.0% pa

Scheme	Type of Scheme	Rate	2023 \$000	2022 \$000
Vision super	Defined benefit	10.5% (2022:10.0%)	59	51
Vision super	Accumulation fund	10.5% (2022:10.0%)	2,659	2,340

In addition to the above contributions, Council made no unfunded liability payments to Vision Super. (nil 2021/2022)

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$62k.

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Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2022-23 year.

There are no pending accounting standards that are likely to have a material impact on council.

