

RURAL CITY OF WANGARATTA

ANNUAL REPORT

2018 - 2019



WELCOME

Welcome to the 2018-2019 Annual Report for the Rural City of Wangaratta. The Local Government Act (1989) and the Local Government (Finance and Reporting) Regulations 2004 require Victorian councils to prepare an annual report in respect to each financial year. Our Annual Report outlines our performance against the objectives and goals contained within our Council Plan 2017-2021 and provides an overview of our operational and financial performance for the 2018-2019 financial year.



ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

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



CONTENTS

Rural City of Wangaratta	2
How We Have Serviced Our Community	3
Our Vision	4
Our Values	4
Mayor's Message	6
CEO's Message	7
Financial Summary	8
Our Councillors	14
Our Committees	15
Our People	16
Organisational Structure	17
Report of Operations	18
Performance Statement	47
Financial Report	58

COUNCIL OFFICES

WANGARATTA GOVERNMENT CENTRE

📍 62-68 Ovens Street Wangaratta VIC 3677

✉ PO Box 238 Wangaratta VIC 3676

☎ 03 5722 0888

📠 03 5721 9526

@ council@wangaratta.vic.gov.au

🖱 wangaratta.vic.gov.au

🐦 @WangRuralCity

📘 Wangaratta Council



RURAL CITY OF WANGARATTA

We are the Rural City of Wangaratta, our mission is and will always be - to service our community.

Our municipality has over 29,000 residents, we are here for them. From supporting our newest mothers to enabling the elderly to stay at home with aged care support services, we are there every step of the way. We create infrastructure like roads and bridges to ensure our municipality is accessible, as well as significant investment in recreation facilities like the Aquatics Centre.

We are a vibrant, evolving city with distinctive towns with unique offerings that make this municipality great.

From Peechelba to Tolmie with Glenrowan and Whitfield in between we have so much to offer. We are surrounded by the beauty of the King Valley, the Ovens Valley and alpine regions with abundant produce, world class wines and stunning tourist destinations that draw people from far and wide.

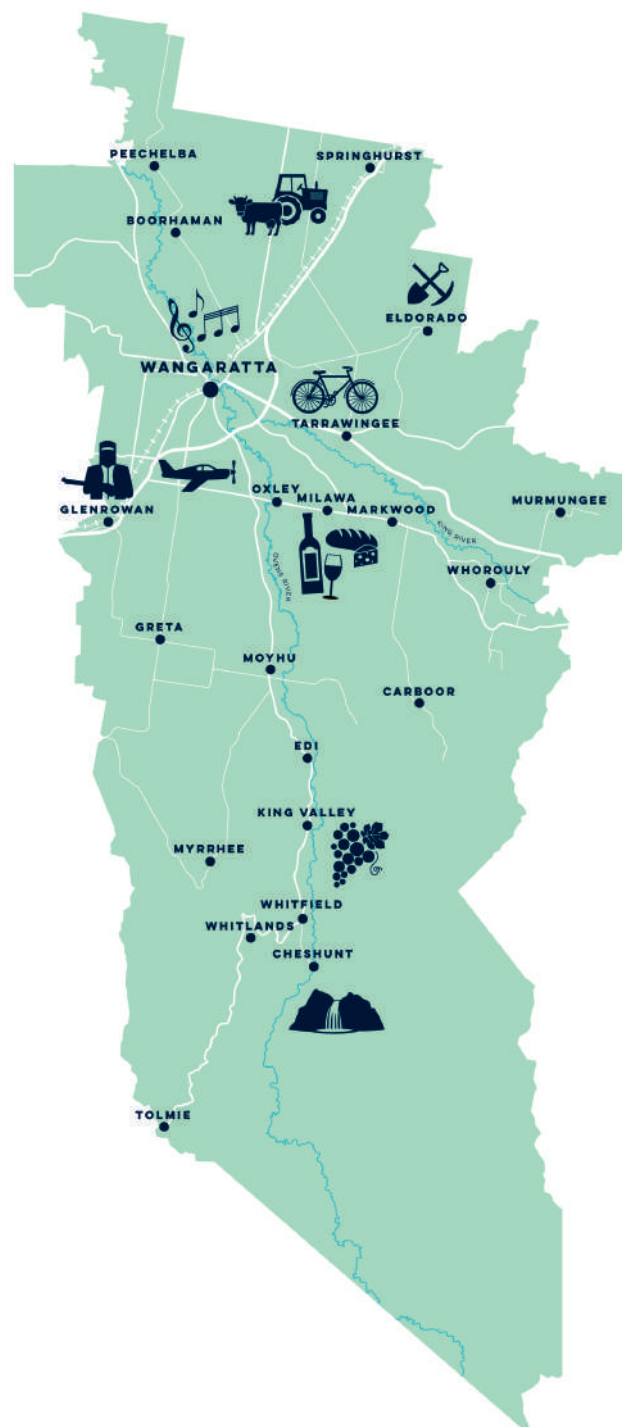
We're known for our waterways, our rugged beauty, surrounds of different landscapes as well as being home to some of Australia's best local produce.

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.

Families value access to childcare and kindergarten services, twenty primary schools, specialist schools and three secondary schools. Tertiary education includes a TAFE Institute, a centre for continuing education and a campus of Charles Sturt University.

The city itself has real strengths in its concentrated and walkable CBD, bookended by the revitalised river precinct and the lush parklands of Merriwa Park, major events, creative spirit and its locational advantages on train and cycle routes.

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. We're the Rural City of more than you can imagine, and that's what makes us a Rural City like no other.



HOW WE HAVE SERVICED OUR COMMUNITY

During the 2018/19 financial year Council has serviced the Wangaratta Rural City Council community in a number of ways.

We processed 10,144 Customer Service Requests	We provided 36,366 hours of domestic assistance, personal care, respite and social support to people in their homes
On average, 420 people visited the library per day	We hosted 14,711 people at conferences at the Wangaratta Performing Arts and Convention Centre
We organised 110 events for the Community, held at over 58 different locations, entertaining approximately 21,650 people	We changed 858 nappies per week
We had feedback from over 1,200 young people about what's important to them and received 2,882 comments in our youth survey	Council awarded \$165,048 to 39 community groups and organisations through the Community Grants Program
We have collected 1,211,496 bins which is a combination of: 383,474 Garbage Bins; 370,162 Recycling Bins; and 457,860 Organics Bins (Wangaratta only)	Council had 430 school children engaged through our educational programs at the Art Gallery
Weekly the library reduced social isolation for more than 30 people through the knitting and craft groups	We worked with 163 community volunteers to help manage 15 Council-owned venues through Section 86 Committees of Management

OUR VISION

Our Community is connected, sustainable and contemporary. We are the place where good things grow.

RURAL CITY OF WANGARATTA

In 2028: Whether you stay for a day or a lifetime, it feels like home. We have the mix right - between safety and excitement, growth and certainty, rural and urban. Here, you know that there are opportunities that you can't find anywhere else. There are jobs, neighbourhoods, schools and services that ensure that everyone can build a healthy and fulfilling life for themselves and their family.

Through responsible and informed planning we have built a community that protects our environment and showcases our natural beauty to its greatest potential. We have built roads that weave together to become neighbourhoods that are home to families who feel connected to the people and places around them. Through our focus on the future we have been prepared for the challenges that have faced our community – we have grown stronger by adapting to a changing economy, we have built and maintained our infrastructure for coming generations, and we have positioned ourselves to be a destination that welcomes and attracts people from all over the world.

Our economy is stronger than ever. From agriculture to tourism, health to education, we have focused on building resilience and diversity, and achieving a prosperity that has benefitted all our residents.

We have become a resourceful and vibrant regional centre. We are a creative community and you experience this in all corners of the municipality. On our streets, at our events and in our facilities - the culture and creativity of our community is evident. The connection and partnership between our City and our rural townships is part of our strength. Our diversity – in our people, our environment and our economy – has created opportunities that continue to be celebrated and recognised.

We are strong and adaptable with a spirit that embraces both our challenges and our opportunities. Whoever you are, and wherever you have come from, this is where you want to be.

OUR VALUES

LEADERSHIP

Council will exercise diligence in decision-making and good governance and accept responsibility for the consequences of those actions taken with appropriate accountability.

ENGAGEMENT

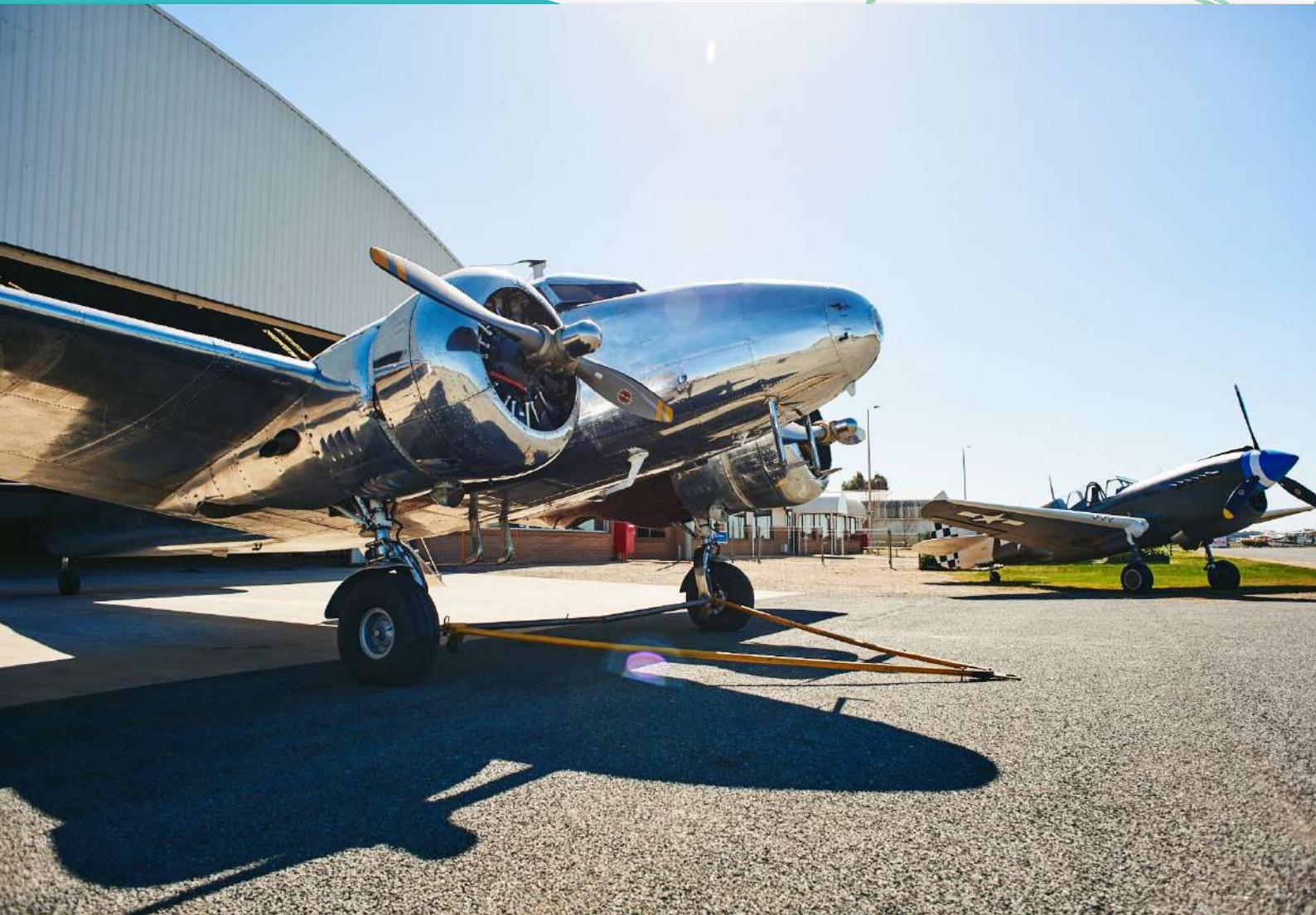
Council will actively and openly participate in consultation and strive to achieve effective governance and the best outcome for the community.

RESPECT

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

PROGRESSION

Council will aim to achieve continuous improvement in performance and the highest standards and outcomes for the Rural City of Wangaratta.



MAYOR'S MESSAGE

I am incredibly proud of Council's achievements this year. It was a year where strong strategic planning and hard work, coupled with our vision for the future, enabled key initiatives to really take shape.

This year, the Rural City of Wangaratta undertook a significant capital works program and an outstanding ninety-three per cent of planned capital works were completed. Additionally, one of the projects I was particularly excited about, the Cruse Street Extension, will be completed September 2019. This is considerably earlier than expected.

Council made significant progress on a number of other key projects including; the construction of our Organics Processing Plant which is now well underway, the continued implementation of the Aquatics Plan including beginning the construction of our new 50 metre outdoor pool, and creation of an off-leash dog park which formed part of the Mitchell Avenue Reserve Masterplan.

Additionally, Council rolled out a successful trial of organics bins to the towns of Milawa, Oxley, Glenrowan and Hamilton Park as part of our Waste Management Strategy, which will be fully implemented in 2019/20.

Another key project I am pleased to see successfully completed is the Murrell Street Industrial Sub-division, with the incredible achievement with nine out of eleven lots already sold. This shows that Wangaratta is a great place to develop a business.

The construction of Dan Murphy's in our CBD is underway, with total cost of works estimated in excess of \$2.5million. In addition, the development of Quest Apartments has been secured.

All these things take time, money and lots of planning and next year we will further see the fruits of our labour.

For a population of 29,087 we have so much to offer, from small towns with diverse and unique offerings from fresh produce to great wine, to adventure activities and cycling routes. I could go on and on about the place we call home.

Our community was successful in attracting major events like the Hitch to the Sticks and the Ovens and Murray Grand Final, both of which we have been lucky enough to secure again. Our events last year contributed huge economic benefit to our community and we will only see that grow as we build on this. Stayed tuned for the success of Winterfest and Nitro Circus.

Lastly, as Mayor, Councillor, resident and father of two young children I genuinely love where I live. I wouldn't choose to live anywhere else. I know that council staff in conjunction with my fellow councillors will continue to work hard to deliver key projects and vital community services. Together we will ensure Wangaratta remains the place where good things grow.



Cr Dean Rees
Mayor

CEO'S MESSAGE

This year Council embarked on the delivery of important projects and initiatives that will benefit our community well into the future.

Council delivered ninety-three percent of our planned capital works program, the largest program attempted to date. This is a fantastic result and a significant uplift on previous years.

It was a major year for development and we have made great progress on landmark projects. This is a result of the structures, plans and funding that were put in place in 2017/18. Significant milestones have been achieved including commencing construction of a state-of-art outdoor 50m pool and hydrotherapy pool and the ongoing development of the Organics Processing Plant. Both projects are progressing incredibly well.

Additionally, Council continues to progress the redevelopment of the Wangaratta Railway Precinct and The Wangaratta Project - the community will see more work unfolding next year.

Council hosted two spectacular events: Hitch to the Sticks and the Ovens and Murray Grand Final which brought in an excess of \$900,000 in economic expenditure to the municipality and I am delighted to say that both events have been secured for 2019/20. This is a testament to the attractiveness of Wangaratta as a place to visit and enjoy. Nitro Circus has also been secured for next year which will be another fantastic event to be hosted by Wangaratta. Attracting this event was a joint result of our growing reputation for the delivery of successful and professional events, and our well-maintained infrastructure and grounds.

Further progress has been made with our commitments under the Waste Management Strategy with a successful organic bins trial being completed within Milawa, Oxley, Glenrowan and Hamilton Park.

Council staff completed the Q12 Gallup Staff Engagement Survey and the results identified new initiatives and ways to further develop our positive working environment. This gave council staff an opportunity to voice their views and provide input on ways for the organisation to further improve. This survey will continue to be conducted in the years ahead.

Growth is a key priority for Council. To explore and develop better ways to promote the municipality and its businesses, attractions and people, a Brand and Marketing Strategy has been developed. Community engagement has been critical to this process and we are committed to continuing to work together to identify opportunities to encourage people to live, stay and invest in the Rural City of Wangaratta. This work will continue into 2019/20 to ensure we get this important initiative right.

This year has seen the vision for some major initiatives take shape and become a reality. These will deliver a lasting impact to our region's liveability, connectivity and vibrancy. 2019/20 will be an exciting year where the community starts to feel their benefit.

Brendan McGrath
Chief Executive Officer



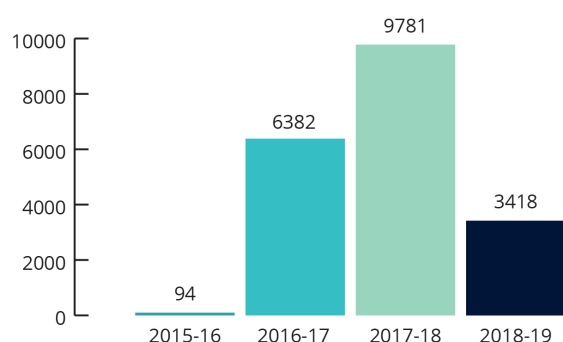
FINANCIAL SUMMARY

Council's financial position continues to remain sound. Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this Report. Council manages over \$0.556 billion dollars in assets comprising of land, building and other infrastructure assets such as roads, footpaths, bridges, drainage and bike paths.

OPERATING POSITION

Council achieved a surplus of \$3.418 million in 2018/2019. This surplus is in line with the budgeted surplus of \$2.537 million. The adjusted underlying deficit of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is \$1.818 million.

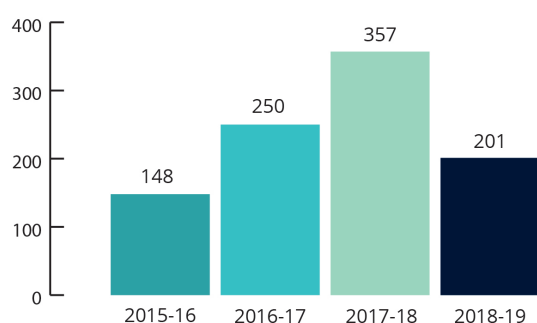
Surplus/(Deficit) \$'000



LIQUIDITY

Cash has decreased by 33 per cent from the prior year mainly due to the funding of the capital works program. 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 201 per cent is an indicator of satisfactory financial position and is in line with the expected target band of 100 per cent to 400 per cent.

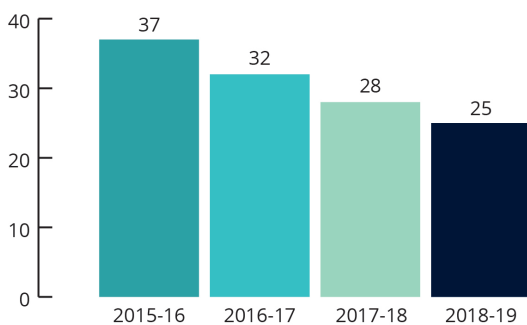
Working Capital Ratio (%)



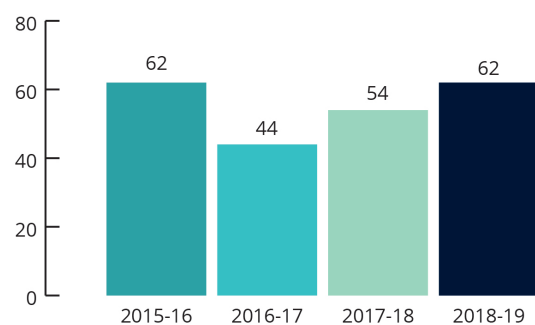
OBLIGATIONS

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 2018/2019 financial year, Council's debt ratio, which is measured by comparing interest bearing loans and borrowings to rate revenue, was 25 per cent, which is within the expected target band of 20-60 per cent. Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 62 per cent, which is below the expected target band of 90-110 per cent. This reflects the increased provision of new infrastructure that Council has undertaken during 2018/2019 financial year.

Debt Ratio (%)



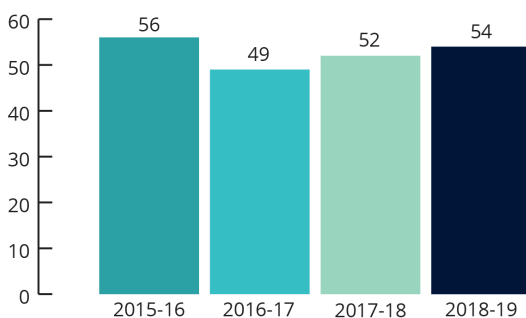
Asset Renewal Ratio (%)



STABILITY AND EFFICIENCY

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Despite this, Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 54 per cent for the 2018/2019 year, which is towards the mid end of the expected target band of 40-80 per cent. The average residential rate per residential assessment was \$1,825.

Rate Concentration (%)



ECONOMIC FACTORS

Rate Capping

The Victorian Government imposed a rate cap on all Victorian councils of 2.25 per cent for the 2018/2019 year. Council did not seek a variation to the rate cap.

Labour Cost

Salary and Wage rate increases for the 2018/2019 year were as per Council Enterprise Bargaining Agreement of 1.5 per cent.

COUNCILLOR ALLOWANCES

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

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

At the Ordinary Council Meeting on 28 March 2017, Council resolved to set the Mayoral allowance at \$76,521 per annum, and the Councillor allowance at \$24,730 per annum (plus an amount equivalent to the superannuation guarantee contribution (currently 9.5 per cent), subject to any adjustments by the Minister for Local Government. The Minister for Local Government approved an adjustment factor increase of 2.0% to the Mayoral and Councillor allowances, effective 1 December 2018, under section 73B(4) of the Act.

At the end of 2018/19, the Mayoral allowance was \$79,612 per annum, and the Councillor allowance was \$25,729 per annum (plus an amount equivalent to the superannuation guarantee contribution of 9.5 per cent).

Councillor	Allowance (\$)
Cr Harvey Benton	27,989
Cr Harry Bussell	27,989
Cr Ken Clarke OAM (Mayor July 2018 - 25 Nov 2018)	46,479
Cr Mark Currie	27,989
Cr Ashlee Fitzpatrick	27,989
Cr David Fuller	27,989
Cr Dean Rees (Mayor 26 Nov 2018 - Current)	68,117
Total	254,541

COUNCILLOR EXPENSES

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

Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. Council adopted the Councillor Support Policy 2016 on the 16 August 2016.

The Policy requires the payment of Councillor expenses to be published in the Annual Report and quarterly on the Council's website under the following categories:

- Travel;
- Child Care/Family Care;
- Conferences, Seminars, Training;
- Individual Memberships;
- Mobile Phone and Tablet (including replacement costs – unless faulty);
- Events; and
- Photocopying.

COUNCILLOR EXPENSES 2018/19

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

Expenses	Cr Harvey Benton	Cr Harry Bussell	Cr Ken Clarke OAM	Cr Mark Currie	Cr Ashlee Fitzpatrick	Cr David Fuller	Cr Dean Rees	Total
Accommodation & Meals			55		15		281	351
Conferences & Seminars					15			15
Telephone	216	216	216	216	216	216	216	1,512
Travelling	2,721	11,592						14,313
Meeting Expenses					29			29
Childcare	-	-	-	-	-	-	-	
Office Expenses		56						56
Vehicle			2,763				2,977	5,740
Total	2,937	11,864	3,034	216	275	216	3,474	22,016

CONTRACTS

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

Under Section 186(5)(c) of the Act, in accordance with arrangements approved by the Minister for the purposes of this subsection, Council did not enter into any contract for works of \$200,000 or more, but did extend the following contract for goods/services valued at \$150,000 or more: Recycling Collection Contract (C1415/007) extended for a further two year period to June 2021.

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

BEST VALUE

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

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

Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement, innovation and sustainability. Council has embarked on recommendations from a Business Health Check to implement improvements in the areas of corporate planning, project management, procurement and continuous improvement to support its achievement of Best Value.



OUR COUNCILLORS

The Councillors were elected at the 2016 General Election.

Councillor Dean Rees was elected Mayor of the Rural City of Wangaratta on 26 November 2018 replacing Cr Ken Clarke OAM, with Councillor Mark Currie being re-elected as Deputy Mayor.



Mayor - Cr Dean Rees

City Ward

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



Deputy Mayor - Cr Mark Currie

Warby Ward

m.currie@wangaratta.vic.gov.au
0428 431 607



Cr Ken Clarke OAM

City Ward

k.clarke@wangaratta.vic.gov.au
0429 601 587



Cr Harvey Benton

North Ward

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



Cr David Fuller

City Ward

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



Cr Harry Bussell

South Ward

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



Cr Ashlee Fitzpatrick

City Ward

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

OUR COMMITTEES

ADVISORY COMMITTEES

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

The Advisory Committees for the Rural City of Wangaratta are:

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

SPECIAL COMMITTEES

The Wangaratta Rural City Council has fifteen standing Special Committees.

Fourteen of these are convened to control and manage the various Council owned community facilities and one, the Friends of Lacluta Special Committee relates to Council's relationship with the community of Lacluta in Timor Leste.

The Special Committees for the Rural City of Wangaratta are:

- Bowmans-Murmungee Memorial Hall and Tennis Reserve Special Committee
- Carboor Soldiers Memorial Hall & Recreation Reserve Special Committee
- Edi Upper Hall and Recreation Reserve Special Committee
- Eldorado Memorial Hall Special committee
- Everton Hall and Sporting Complex Special Committee
- Friends of Lacluta Special Committee
- Milawa Hall and Park Special Committee
- Moyhu Soldiers Memorial Hall Special Committee
- Myrrhee Soldiers Memorial Hall Special Committee
- North Wangaratta Sports Reserve Special Committee
- Old Murmungee Hall Special Committee
- Oxley Shire Hall Special Committee
- Whitfield Recreation Reserve Special Committee
- Whorouly Public Hall Special Committee
- Whorouly Memorial Park Special Committee

OUR PEOPLE

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



Brendan McGrath

Chief Executive Officer



Jaime Chubb

Director - Community Wellbeing

Areas of responsibility

- Arts Culture and Events
- Community and Recreation



Stephen Swart

Director - Development Services

Areas of responsibility

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



Sarah Brindley

Director - Corporate Services

Areas of responsibility

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



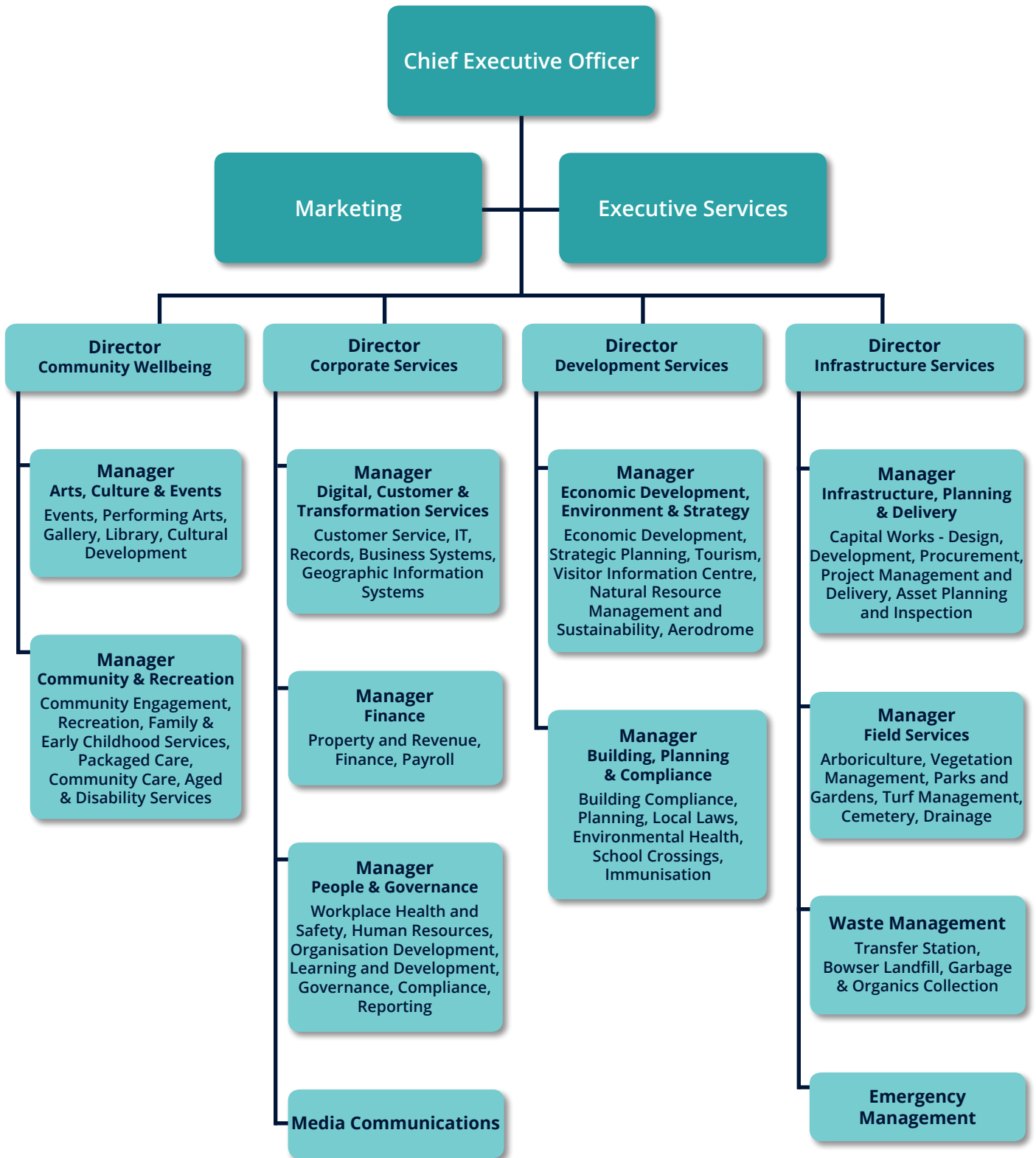
Alan Clark

Director - Infrastructure Services

Areas of responsibility

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

ORGANISATIONAL STRUCTURE



REPORT OF OPERATIONS



REPORT OF OPERATIONS

The Rural City of Wangaratta is responsible for a broad range of services, from family and children's services, aged and disability services, community and recreation, parks and gardens and facilities management; to matters concerning economic development, town and statutory planning and governance.

We also operate the several facilities including the Performing Arts and Convention Centre and the Art Gallery, as well as a Library and Visitor Information Centre.

Our strategic objectives and strategies to further improve our services and facilities are described in our 2017-2021 Council Plan and the associated 2018/19 Budget and reported upon in this document.

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

MAJOR INITIATIVES 2018-2019

These are the major actions and initiatives Council planned to implement during the 2018/19 financial year. The initiatives were budgeted for, and resources were assigned in order to achieve delivery. A status and relevant comments are provided for each of the initiatives.

OTHER ACHIEVEMENTS 2018-2019

Details some of the other achievements Council has completed during the 2018/19 financial year in addition to the Major Initiatives 2018/19.

COUNCIL PLAN 2017-2021 (2018 REVISION) - STRATEGIC INDICATORS/MEASURES

These are the measures which Council have implemented to demonstrate progress against our strategic objectives. Our results enable everyone in our community to understand the impact our actions are having.

LGPRF KNOW YOUR COUNCIL SERVICE PERFORMANCE INDICATORS AND MEASURES

These measures are a mandatory system of performance reporting for all Victorian Councils which is set by the Local Government Performance and Reporting Framework (LGPRF). Council's results for these measures are also published on Know Your Council.

SERVICES

The service teams which contribute to the achievement of the Council's major actions, initiatives, measures and indicators contained within each Pillar.

PEOPLE AND CULTURE SUMMARY

Workplace Health and Safety

Council is acting to implement its Occupational Health and Safety Strategic Plan which has a vision for safety that 'everyone is safe'. It commits to engaging with its employees to develop a positive safety culture so employees are supportive and resilient, empowered to think independently and constructively, and engaged with their workplace.

Council has worked with each of its four designated work groups, which include staff who volunteered to lead initiatives to make the workplace safer, to develop priorities and plans to address the key safety issues affecting staff in their area.

Employee Relations

The Rural City of Wangaratta Enterprise Agreement is in operation and nominally expires on 24 July 2022.

The Staff Consultative Committee was established under the Agreement and has met twice. The Committee assisted the organisation in the development and implementation of a new performance development process that applies to Council staff.

Organisation Development

Council conducted a survey of staff engagement using the Gallup Q12 Staff Engagement Survey, and undertook action planning within work groups and across the organisation in response to the survey results. This included a focus on knowledge of the strategic direction of Council and where staff fit, improving staff physical amenities and tools in the workplace, learning and development programs, and reward and recognition. Council will re-administer the survey to monitor progress to improve staff engagement.

Council has invested in training for staff and particularly staff with supervisory responsibilities, including coordinators, managers and directors, to better equip them to fulfil those responsibilities.

Gender Equity

Council is acting to implement its Gender Equity Strategy which is designed to provide fairness and justice in the distribution of benefits and responsibilities between men and women.

Implementation of the strategy has included to date establishing a dedicated breastfeeding facility in the Government Centre, creating a child friendly hub in the Government Centre for working parents and carers, promoting internal secondments to develop new skills and career opportunities within Council, promoting internally position vacancies, and promoting and supporting leadership development opportunities.

In addition, changes to how vacant positions are advertised and promoted has led to an increase in the number of women employed in Council's waste and field services, which are traditionally areas dominated by male employees.

COUNCIL STAFF

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

Employee Type / Gender	Community Wellbeing	Corporate Services	Development Services	Executive Services	Infrastructure Services	Grand Total
Female	80.65	25.23	19.05	2.00	17.39	144.32
Casual	8.96	2.00	0.77	0.35	0.00	9.73
Full Time	33.00	12.00	13.00	2.00	14.00	74.00
Part Time	40.70	11.22	5.27	0.00	3.40	60.59
Male	8.63	12.77	16.01	1.00	90.21	128.62
Casual	0.20	0.17	1.40	0.00	0.01	1.78
Full Time	7.00	10.00	11.00	1.00	90.00	119.00
Part Time	1.43	2.60	3.61	0.00	0.21	7.85
Grand Total	89.28	38.00	35.06	3.00	107.60	272.94

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

Employment Classification	Female	Male	Total
Not Applicable	14.72	11.00	25.72
Band 1	1.46	1.91	3.37
Band 2	0.00	0.02	0.02
Band 3	29.57	44.01	73.58
Band 4	29.48	23.01	52.49
Band 5	25.59	19.23	44.82
Band 6	22.73	9.00	31.73
Band 7	13.43	14.63	28.06
Band 8	7.34	5.84	13.18
Total	144.32	128.62	272.94



WE ARE THRIVING

STRATEGIC OBJECTIVE

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

Major Initiatives 2018-2019	Status	Comment
Partnership with local agencies to address violence against women	Complete	Council is currently the Chair of the Wangaratta Local Area Health and Wellbeing Partnership, which is the principal actioning network for Council's Municipal Public Health and Wellbeing Plan. Pillar One of the plan is focused on Prevention of Violence in our community and includes actions such as participation in Victoria Against Violence Campaign.
Implementation of the Mitchell Avenue Reserve Masterplan	In Progress	The dog park component of this project was under construction during this quarter. The children's garden design is being finalised, ready for roll-out in 2019/20.
Implementation of the Aquatic Plan - Development of the Wangaratta Indoor Sports and Aquatic facility	Complete	Implementation of the Aquatic Plan has been completed during 2018/19, as scheduled. Works on the development of the Wangaratta Indoor Sports and Aquatic Facility are progressing well with an expected completion date of December 2020.
HP Barr Reserve Oval 2 - Lighting development and drainage and restoration works	In Progress	Works were re-scheduled to suit the Aquatic Facility construction. Tender to be awarded in November 2019. Expected completion March 2020.
Delivery of the Glenrowan Recreation Reserve upgrade project	In Progress	Project has had some minor delays. Change rooms expected completion October 2019. Netball court expected completion December 2019.
Female friendly facility development at the Moyhu Recreation Reserve	In Progress	Project has had some minor delays. Change rooms expected completion September 2019.
Implementation of our Waste Management Strategy (WMS)	Complete	Action for the 2018/19 financial year have been completed and generally actions out of the Waste Management Strategy are tracking well. The recommendation to roll out organic bins to the rural communities of Milawa, Oxley, Glenrowan and Hamilton Park has been proposed to Council for a decision at the September Council meeting. Organic Bins are available on request for Council events. Dog litter bins and dispensers have been installed along the Bullawa Trail. The Bowser Landfill now has a pre-sort/recycling operation for building and demolition waste prior to the material entering landfill. The Wangaratta Transfer Station has a new polystyrene extruder and is now taking polystyrene for free. There is a new shed for the collection of e-waste at the transfer station.
Delivery of the 'Community Ambassador' program to support local volunteering	Complete	Rescoped - Volunteering supported across Performing Arts Centre, Library and Gallery. Volunteers celebrated and supported throughout regular training and events.
Deliver a compliant Municipal Emergency Management Plan, and activate measures when required	Complete	The Municipal Emergency Management Plan was audited as part of the Emergency Services Review completed in June 2018. The plan was found to be compliant and has been implemented and can be activated, when required

OTHER ACHIEVEMENTS 2018-2019

- On average Council staff taught and cared for 100 children per week
- 1572 meals were prepared for children at the Child Care Centre every week - Using 60 litres of milk, 25kg of fresh fruit, 30kg of vegetables and 16kg of meat
- Council staff helped babies to sleep on average 78 times per week
- Council hosted 75 planned story time groups per week
- Each week Small Talk delivered a social opportunity to a vulnerable family, some with children who had never attended an educational setting before
- Council provided 3220 hours of home maintenance and modifications with a total value of \$214,828 to enable people to stay living in their homes safely

Council Plan 2017-2021 (2018 Revision) - Strategic Indicators/Measures	Target 18/19	Result 18/19
Percentage of children receiving immunisation in accordance with the Victorian Immunisation Schedule	95%	94.76%
Number of Home Care Clients	1,400	1,327
Council performance on recreational facilities	70	71

LGPRF Know Your Council Service Performance Indicators and Measures	Result 16/17	Result 17/18	Result 18/19	Material Variation Comment
AQUATIC FACILITIES				
Health inspections of aquatic facilities	0.00	0.00	0.50	
Reportable safety incidents at aquatic facilities	0.00	0.00	0.00	
Cost of indoor aquatic facilities	\$4.86	\$5.65	\$5.42	
Cost of outdoor aquatic facilities	\$11.89	\$8.65	\$8.31	
Utilisation of aquatic facilities	4.95	4.73	4.63	
FOOD SAFETY				
Time taken to action food complaints	50.50	3.00	7.14	Although result has seen an increase on the time take to action food complaints from last year (2017/18 - 3.00) average days to action continues to remain at an improved level due to emphasis on timely response.
Food safety assessments	58.41%	70.67%	100.00%	Additional resourcing enabled 100% of food safety inspections to be completed.
Cost of food safety service	\$347.56	\$548.12	\$215.32	Efficient use of contractors achieved increase in compliance with reduced cost per food premises.
Critical and major non-compliance outcome notifications	100.00%	54.55%	68.18%	A number of businesses not followed up were either closed during the reporting period or mobile premises that were followed up within other municipalities and found compliant.

LGPRF Know Your Council Service Performance Indicators and Measures	Result 16/17	Result 17/18	Result 18/19	Material Variation Comment
MATERNAL AND CHILD HEALTH (MCH) Participation in first MCH home visit	97.08%	97.54%	100.70%	
Infant enrolments in the MCH service	97.08%	95.42%	101.40%	
Cost of the MCH service	\$70.03	\$68.31	\$75.15	Cost to provide the MCH services has increased slightly as a result of a minor pay rise for MCH Nurses generated from the conditions of the Enterprise Agreement (EA).
Participation in the MCH service	77.56%	79.51%	73.97%	
Participation in the MCH service by Aboriginal children	79.07%	68.29%	75.00%	

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



WE ARE GROWING

STRATEGIC OBJECTIVE

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

Major Initiatives 2018-2019	Status	Comment
Participation in the Tourism North East Program	Complete	Council and our Tourism Businesses continue to participate in a variety of TNE programs, such as Feast the High, Wines of the King Valley Prosecco Road Pitch Fest, Cycle the High Country.
Preparation of the Wangaratta Central Activities Area Urban Design Framework	Complete	All consultation and review of submissions has been completed. The Wangaratta Urban Design Framework is completed and due to go to the July Council Meeting for Adoption.
Completion of the planning for the North West and South Wangaratta growth areas	Complete	The North West and South Wangaratta growth areas have been presented to the Minister for approval.
Preparation of the Wangaratta Health Precinct Plan	Complete	The Wangaratta Health Precinct Plan is completed and will go to the July 2019 Council Meeting for adoption.
Complete the construction and sale of industrial lots in Murrell Street	Complete	All works have been completed on the subdivision, currently awaiting the Certificate of Subdivision expected July 2019. As of 30 June 2019 nine of the eleven blocks have been sold.
Construct two new hangers at the Aerodrome	In Progress	Stage One construction design plans underway. Once completed and tenders approved construction on Commercial hanger and stage one taxiway infrastructure will commence.
Completion of the Planning Scheme review	Complete	Planning Scheme Amendment C75 was approved by the Minister for Planning on 16 August 2018, this amendment formally implemented the review into the Planning Scheme.

OTHER ACHIEVEMENTS 2018-2019

- Council implemented a new Online Planning Portal to assist in streamlining the planning process. The portal enables community members to research and track the progress of a planning application online
- Council's Economic Development team listened to and worked with business to develop a single point of contact when dealing with Council to help work through their business needs and assist them in navigating the permits and approvals processes
- The growth of visitation to the region is supported by the Councils Tourism Events Grant program. The program has assisted a range of events from sporting, conferences, car rallies through to gourmet weekends which showcases the vibrancy of our region and attracts many visitors to our municipality

Council Plan 2017-2021 (2018 Revision) - Strategic Indicators/Measures	Target 18/19	Result 18/19
Council performance on business and community development and tourism	63	58
Percentage change in visitors to Visitor Information Centre	+5%	-6.63%
Council performance on planning and building permits	55	47
Percentage change in housing lots released in the municipality	+5%	+27.08%
Number of cattle throughput at Wangaratta Livestock Exchange	35,000	32,253
Wangaratta Livestock Exchange year 1 full-year financial position ¹	Breakeven	\$203,798

LGPRF Know Your Council Service Performance Indicators and Measures	Result 16/17	Result 17/18	Result 18/19	Material Variation Comment
STATUTORY PLANNING Time taken to decide planning applications	69.00	59.00	53.00	Continued reduction in the time taken to make decision has resulted by continuing to implement process improvements from Planning Services Review.
Planning applications decided within required time frames	72.53%	80.75%	82.49%	Improved percentage within time frames by process improvement.
Cost of statutory planning service	\$2,383.45	\$2,432.42	\$2,412.42	
Council planning decisions upheld at VCAT	0.00%	0.00%	66.67%	Council had three planning matters referred to VCAT during 2018/19. Out of the three matters, VCAT upheld two of the Council's planning decisions.

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

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

WE ARE ESTABLISHED

STRATEGIC OBJECTIVE

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

Major Initiatives 2018-2019	Status	Comment
Delivery of our asset renewal program 2018/2019	Complete	100% of 2018/2019 Asset Renewal Program was delivered by the end of July 2019.
Progression of major projects from 'The Wangaratta Project' in line with successful funding provision and Council's priorities	Complete	Progression of the major projects from 'The Wangaratta Project' has occurred during 2018/19 with Council having completed all pedestrian crossings on Council roads. Reid Street Crossing and 40 km/hr speed zones in the CBD, awaiting VicRoads approval. The Railway Precinct detailed design is complete and work will be tendered in October 2019, construction to start early 2020.
Completion of the Cruse Street stage 1 project	Complete	Stage 1 of project completed (Wangaratta Turf Club entrance). Second stage awarded (to Reith Road). Civil works set to commence in February 2019.
Construction of the pedestrian bridge at One Mile Creek adjacent to Turner Street linking Sadler and Bronmar and associated pathways	Complete	Construction complete and bridge is open to the public.
Implementation of the annual Rural Community Planning projects identified within the District Plans	Complete	All Projects except for the two on Parks Vic land have been completed (one is in Benalla Council).
Preparation of a municipality-wide Cycling Strategy	In Progress	The engagement for this project was presented at a councillor briefing forum. The development of the strategy has progressed from this briefing forum.
Implementation of the Play Space Strategy	In Progress	Project proposed for 2019/20 operational budget for stage one of upgrades to existing municipal playgrounds.
Preparation of a Traffic Management and Car Parking strategy	Complete	Completed.
Design and planning completed for the Waldara drainage scheme	Complete	Design for these works are complete.
Completion of Morgan Road drainage project	Complete	Construction works completed.
Finalisation of the Aerodrome Masterplan	Complete	Aerodrome Masterplan (in final state) was adopted by Council at the August 2018 Ordinary Council Meeting.
Review and update the Merriwa and Kaluna Park Masterplan and undertake a feasibility study and concept design for the Merriwa Park Sound Shell	In Progress	The Merriwa Park versus Rodeo Ground redevelopment project has commenced - Consultants engaged to assess which site should be invested in for the hosting of future large events. Will inform future master planning and developments on either site.

Implementation of the Municipal Targeted Roads and Rail Trail Bushfire Management Plan	Complete	The Rural City of Wangaratta Roadside and Rail Trail Fire Management Plan was implemented in November 2018. The Plan delivers a risk-based plan with the objective to reduce the risk of fire impact on, and from the municipal road network and rail trail.
--	----------	--

OTHER ACHIEVEMENTS 2018-2019

- Council applied for, received and contributed to a grant for the installation of three large 50,000L Water Tanks to be installed at three locations in the municipality for the CFA to use for firefighting
- Council completed a total length of road maintenance graded of 1,531km
- Council mowed, line-marked and maintained over 145,000m² of ovals and playing fields throughout the year for our community to use and enjoy
- 70km of road was re-sheeted by Council
- Council used 92,400 tonne of gravel material in the 2018-2019 re-sheeting program
- Council inspected 49 playgrounds each month
- 190km of footpaths were inspected
- Council planted over 500 new trees in our streets and parks in Wangaratta and within the municipality

Council Plan 2017-2021 (2018 Revision) - Strategic Indicators/Measures	Target 18/19	Result 18/19
Council performance on the condition of local streets and footpaths in your area	60	78
Council performance on the maintenance of unsealed roads in your area	60	78
Value of infrastructure per head of municipal population	\$16,000	\$17,253
Annual asset renewal gap	Zero	20%
Council overall performance	61	69

LGPRF Know Your Council Service Performance Indicators and Measures	Result 16/17	Result 17/18	Result 18/19	Material Variation Comment
ROADS				
Sealed local road requests	19.01	33.72	28.51	Further refinement of the job allocation process and additional road maintenance personale has reduced the sealed road requests.
Sealed local roads maintained to condition standards	98.69%	98.70%	98.84%	
Cost of sealed local road reconstruction	\$82.77	\$87.53	\$91.26	
Cost of sealed local road resealing	\$4.35	\$0.00	\$3.51	Through engaging Procurement Australia (first year) the contract has resulted in the ability to perform local road resealing with a reduction in cost, due to greater economy of scale across numerous Councils.
Satisfaction with sealed local roads	56.00	56.00	57.00	

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

WE ARE INSPIRED

STRATEGIC OBJECTIVE

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

Major Initiatives 2018-2019	Status	Comment
Development and implementation of phase 2 Christmas decorations in the CBD	Complete	Project completed and forecasted savings have been achieved.
Improvements to our customer request management system	On Hold	The Customer Request Management to GIS (incorporating mapping into Customer Requests) integration project on hold; to be included with the ICT Strategy Roadmap to be initiated 2020/21.
Development of enabling frameworks for project management, change management and innovation	In Progress	The Project Management Governance Framework has been developed to define Council's project management standards. The framework is scheduled to begin implementation in 2019/20.
Undertake a feasibility study of a planned upgrade to the Wangaratta Art Gallery	In Progress	Consultants engaged - Feasibility will be completed by the end of 2019.
Implement the Cr. Ruth Amery Contemporary Textile Award - Highly Commended Award - as part of the Biennial Wangaratta Contemporary Textile Awards	Complete	Project completed. Award to be announced as part of the Wangaratta Contemporary Textile Awards in July 2019. This is a biennial event.
Wangaratta Performing Arts Centre ticketing system upgrade	In Progress	Wangaratta Performing Arts Centre ticketing system upgrade.
Continue to develop the street banners in the CBD and plan to roll out to rural communities	Complete	Project rescope and Rural Banner element removed. Remaining elements - Policy & Procedure and CBD banner themes will be rolled out in line with new brand.
Events Strategy implementation - Secure at least 2 marquee events in financial year 2018 / 2019	Complete	Two marquee events have been secured for FY2018/19 - 1x music event 'Hitch to the Sticks' and 1 x sporting event - 'Ovens & Murray Football Grand Final'.

OTHER ACHIEVEMENTS 2018-2019

- Book Crossing distributed over 500 free books throughout the community
- 17,000 reference enquiries were received by Library staff
- Each month, the Home Library Service provided entertainment material for 30 people who were housebound or had mobility issues
- Council supported 73 external events with approvals, advice and marketing
- 50 meetings were held with young people to plan youth events and discuss what's important to young people in Wangaratta
- Events held at the Wangaratta Performing Arts and Convention Centre were assisted by the 1,544 hours provided by volunteer Ushers
- 285 Artists were engaged to exhibit their artworks
- 4,570 people visited the 2019 biennial Wangaratta Contemporary Textile Art Award
- Council captured 174,505 corporate records which is a 12.6% increase on 2017-2018 figure of 154,902

Council Plan 2017-2021 (2018 Revision) - Strategic Indicators/Measures	Target 18/19	Result 18/19
Council performance on consultation and engagement	50	53
Council performance on informing the community	62	77
Council performance in making decisions in the interest of the community	50	51
Average number of days to close a customer request	14	13
Percentage of customer requests overdue by more than 60 days	10%	16%
Number of attendees at the Wangaratta Art Gallery	44,100	37,075
Council performance on community and cultural activities	71	63
Number of ticket sales for Wangaratta Performing Arts and Convention Centre	23,617	23,387

LGPRF Know Your Council Service Performance Indicators and Measures	Result 16/17	Result 17/18	Result 18/19	Material Variation Comment
LIBRARIES Library collection usage	3.05	2.97	2.81	
Standard of library collection	48.26%	45.75%	70.39%	Removal of out-dated library material has improved the standard of the collection.
Cost of library service	\$4.42	\$4.52	\$5.51	Library visits have reduced slightly and changes to a key service agreement has reduced overall income resulting in a minor increase to the cost of library service.
Active library members	16.42%	14.84%	13.87%	

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



WE ARE SUSTAINABLE

STRATEGIC OBJECTIVE

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

Major Initiatives 2018-2019	Status	Comment
Construction of a new organic processing plant	In Progress	Works are progressing well. Expected completion October 2019. EPA approvals and trail will then commence.
Deliver our roadside weed management spraying program	Complete	The FY18/19 Roadside Weed and Pest Control Program has been completed in full and within budgets. Councils has been notified from State Government that they will again contribute to the program for FY19/20.
Improved employee experience and performance though enhanced on-boarding and talent management	In Progress	Contract signed with Chandler and MacLeod for the Aurion system which incorporates recruitment, on-boarding, performance review, talent management and development and payroll. Implementation planning about to commence.
Business Intelligence - agile reporting to support business decisions	In Progress	Completed the first phase of internal reporting tools and manager performance dashboards. The second phase which includes development of a strategic risk metric framework is scheduled for implementation in 2019/20.
On-line lodgment and payment of permits, animal renewals and infringements	Complete	Consultants appointed - Process mapping and requirements being completed. Online payment and public planning register (etrack) completed. Online lodgment project on hold; to be included with the ICT Strategy Roadmap to be initiated 2020/21.
A comprehensive service planning framework	On Hold	Work postponed until 2020/21 to first enable completion of strategic planning vision and framework.
Implementation of improved technology processes across core business areas	In Progress	The new payroll system's implementation has commenced and scheduled to be completed in 2019/20. EXPLOR implemented at child care centre to meet new requirements for digital sign in and resolve previous billing issues. The ICT Strategy was approved and implementation of the first year of a five year program of work is scheduled to begin in 2019/20.

OTHER ACHIEVEMENTS 2018-2019

- Council launched an online portal to enable customers to make payments to Council online - The online payments have now exceeded \$50,000 per day
- An online mapping service was implemented by Council to help community members easily access geographic data relating to projects and council services
- An ePortal was launched to make it easier for suppliers to do business with Council
- Council launched a new childcare system to enable childcare bookings and direct debit payments for customers of Council's Long Day Care Child Care Service. This system allows the ability to easily record digital attendance of children via mobile app according to recently introduced legislative requirements. The system also gives parents the ability to view child observations as recorded by childcare staff.

Council Plan 2017-2021 (2018 Revision) - Strategic Indicators/Measures	Target 18/19	Result 18/19
Percentage of registered Class 1 and 2 food premises that receive an annual food safety assessment	70%	100%
Council performance on lobbying on behalf of the community	71	51
Council performance on waste management	73	81
Percentage change in greenhouse gas emissions	20% Reduction on 2006 levels (-3.8)	-3.73
Council performance on environmental sustainability	67	73

LGPRF Know Your Council Service Performance Indicators and Measures	Result 16/17	Result 17/18	Result 18/19	Material Variation Comment
ANIMAL MANAGEMENT Time taken to action animal management requests	1.00	10.16	24.00	Increased uptake of usage of Council's Customer Request Management System (CRMS) and a backlog of requests resulted in average age to action animal management requests in October 2018 of 27 days, and timely response since November 2018 achieved average age of 4 days for remainder of year.
Animals reclaimed	80.09%	59.96%	61.96%	Large increase in cats collected by Council with low numbers of cats reclaimed.

LGPRF Know Your Council Service Performance Indicators and Measures	Result 16/17	Result 17/18	Result 18/19	Material Variation Comment
Cost of animal management service	\$40.85	\$44.29	\$96.28	Large contributor to cost of service is the Domestic Animal Pound Services contract with RSPCA however, increased sharing of Pound by a neighbouring municipality has resulted in a reduction in cost per animal at the Pound.
Animal management prosecutions	0.00	0.00	0.00	
GOVERNANCE Council decisions made at meetings closed to the public	2.29%	3.83%	4.69%	Council has seen a decrease in the number of council resolutions from last year (183 - 2017/18 and 128 - 2018/19) and a slight decrease in the number of confidential council resolutions (7 - 2017/18 and 6 - 2018/19). Confidential council resolutions consisted of CEO appointment and performance review, service provider contracts and a land matter.
Satisfaction with community consultation and engagement	55.00	56.00	53.00	
Councillor attendance at council meetings	98.78%	97.28%	98.10%	Attendance of Councillors at both Ordinary and Special Council meetings has been consistent. For 2019, there were only two meeting (both Ordinary Council meetings) where one Councillor was not in attendance.
Cost of governance	\$79,967.40	\$43,511.43	\$45,025.00	
Satisfaction with council decisions	50.00	51.00	51.00	
WASTE COLLECTION Kerbside bin collection requests	235.58	56.63	68.40	Opening of new estates within Wangaratta has resulted in an increase in new services. Reporting of damaged bins has increased due to improvements in the user service.
Cost of kerbside garbage bin collection service	\$120.26	\$116.49	\$122.02	
Kerbside collection bins missed	13.44	6.40	4.11	Kerbside collection remains with established contractor. Collections routes are well-known, resulting in a reduction of bins missed. Additionally, the inclusion of a new category to classify Bins Missed ensures reporting reflect bins genuinely missed by Council (where Council is determined to be at fault).

LGPRF Know Your Council Service Performance Indicators and Measures	Result 16/17	Result 17/18	Result 18/19	Material Variation Comment
Cost of kerbside recyclables collection service	\$48.24	\$46.65	\$65.28	In 2018, China altered their policy on the receipt of recyclable materials which dramatically altered the financial viability of the recycling industry. Council's current contract is for the pick-up and processing of all kerbside recycling. The contract is based on a fee for every bin that is collected regardless of tonnages. However, built into the calculation of that fee is a gate rate of \$33.00 per tonne. This rate went from \$33.00 per tonne to \$145.000 over the past year which has drastically increased the cost of the kerbside collection.
Kerbside collection waste diverted from landfill	60.51%	60.66%	60.25%	

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

STATUTORY INFORMATION

Documents Available for Public Inspection

In accordance with of section 222 of the *Local Government Act* 1989 ('the Act') the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for at 62-68 Ovens Street Wangaratta:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months, including—
 - the name of the Councillor or member of Council staff; and
 - the dates on which the travel began and ended; and
 - the destination of the travel; and
 - the purpose of the travel; and
 - the total cost to the Council of the travel, including accommodation costs;
- the agendas for, and minutes of, ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act;
- a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section;
- a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best Value

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

The Best Value Principles are:

- all services must meet the quality and cost standards;

- all services provided must be responsive to the needs of its community;
- each service must be accessible to those members of the community for whom the service is intended;
- a Council must achieve continuous improvement in the provision of services for its community; and
- a Council must develop a program of regular consultation with its community in relation to the services it provides.

Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement, innovation and sustainability. Council has embarked on recommendations from a Business Health Check to implement improvements in the areas of corporate planning, project management, procurement and continuous improvement to support its achievement of Best Value.

Contracts

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

Under section 186(5)(c) of the Act, in accordance with arrangements approved by the Minister for the purposes of this subsection, Council did not enter into any contract for works of \$200,000 or more, but did extend the following contract for goods/services valued at \$150,000 or more: Recycling Collection Contract (C1415/007) extended for a further two year period to June 2021.

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

Carers Recognition Act

In accordance with section 11 of the Carers Recognition Act 2012, Council is required to report annually on its fulfilment of the obligations in section 11. Council reports that is 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;
- taken all practicable measures to ensure that the care support organisation and its employees and agents reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships.

These measures include:

- distributing information and resources through relevant council services;
- providing information to organisations represented in council and community networks;
- ensuring staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for staff working in Community Care; and
- Council induction and training programs for staff working in front-line positions with the general community.
- reviewing and modifying policies, procedures and supports to include recognition of the carer relationship and has provided respite services for carers.

Disability Act

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

- convened monthly meetings of the Accessibility Reference Group;
- convened a Youth Disability Reference Group which produced a documentary entitled “Same Same...But Different” and undertook leadership training;
- hosted an event on the International Day for People with Disability;
- updated website information relevant to people with a disability and their support networks;
- updated the Council style guide;
- conducted a review of public toilets for accessibility (still underway) and completed some improvements to toilet facilities;
- audited pathways and parking (ongoing);
- piloted a program “Good Access=Good Business” with local businesses to make them more accessible;
- updated the Mobility Map; and
- collaborated and supported NDIS roll out and information sessions for community members.

Domestic Animal Act

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

- Developed and introduced a dog attack investigation template pack to guide officers in the investigation of offences, interview of offenders, and included relevant documents related to the seizure and impounding of dogs.
- Developed and implemented an updated “Barking Dog Pack” including procedures for complainants to be required to contact Dispute Settlements Centre Victoria (Department of Justice) to attempt mediation with dog owner to reduce council involvement in potential neighbourhood disputes.
- Reviewed and refined documents and procedures relating to the registration of domestic animals including the ability to pay registration online.

- Implemented electronic handheld capability enabling officers to scan and identify ownership of wandering dogs/cats as well as assist with on the spot compliance issues.

Protected Disclosures Act

Information about how to access the procedures established by Council under Part 9 of the Protected Disclosure Act is found under the tab About Council and Contact Us. In the past financial year Council had one protected disclosure complaint investigated by the Victorian Ombudsman, alleging improper conduct by staff.

Freedom of Information Act

Information about the functions of Council and information available is found on its website at www.wangaratta.vic.gov.au and information about how to access Council documents is found on the website under the tab About Council and Contact Us.

Food Act Ministerial Directions

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

Road Management Act Ministerial Directions

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

GOVERNANCE AND MANAGEMENT CHECKLIST

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

Governance and Management Items	Assessment
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 20 February 2018
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 20 February 2018
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 18 June 2019
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 18 June 2019
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: 15 December 2015
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 19 June 2018
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 1 September 2014
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 18 August 2015

Governance and Management Items	Assessment
9 Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date of preparation: 20 November 2018
10 Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 16 April 2019
11 Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: 16 September 2014
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 16 December 2018
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 1 September 2014
14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 19 August 1997
15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 15 September 2014
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 25 October 2018
17 Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date of report: 21 August 2018, 16 October 2018, 19 February 2019, 10 April 2019

Governance and Management Items	Assessment
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Dates statements presented: 16 October 2018, 19 February 2019, 21 May 2019
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 11 September 2018, 5 March 2019, 13 June 2019
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports Date of reports: 21 August 2018, 16 October 2018, 19 February 2019, 16 April 2019
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Considered at meeting of the Council in accordance with section 134 of the Act Date of consideration: 25 October 2018
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 6 February 2017
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 23 August 2017
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 19 July 2016

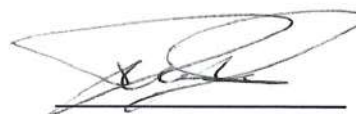
I certify that this information presents fairly the status of Council's governance and management arrangements.



Jaime Chubb

Acting Chief Executive Officer

Date: 25 September 2019



Cr Dean Rees

Mayor

Date: 25 September 2019

PERFORMANCE STATEMENT



Description of the Municipality

One of Victoria's most geographically diverse and scenic regions, Wangaratta Rural City Council 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 Rural City of Wangaratta. 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. Council covers an area of 3,639 square kilometres.

The regional economy is exceptionally diverse. Wangaratta is home to major agricultural, manufacturing, transport and distribution activities and is the regional headquarters for several state government agencies.

Basis of Preparation

Council is required to prepare and include a Performance Statement within its Annual Report¹. The Performance Statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* (the Act) and *Local Government (Planning and Reporting) Regulations 2014*.

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

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's Strategic Resource Plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the Performance Statement. Council has adopted materiality thresholds of + / - 10% for each indicator and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the Performance Statement are those adopted by Council in its Strategic Resource Plan on 18 June 2019 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.

¹ "Annual Report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

WANGARATTA RURAL CITY COUNCIL

PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Sustainable Capacity Indicators

Indicator / [measure]	Results				Material Variations
	2016	2017	2018	2019	
Own-source revenue <i>Own-source revenue² per head of municipal population³</i> [Own-source revenue / Municipal population]	\$1,366	\$1,416	\$1,449	\$1,499	
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$524	\$737	\$582	\$521	A decrease in recurrent grant funding for Roads to Recovery in 2018/19.
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,011	\$2,135	\$1,893	\$2,117	During the financial year, there is an expense of almost \$1.187 million due to the landfill provision increasing and depreciation increase of \$4.1 million.
<i>Infrastructure⁴ per head of municipal population</i> [Value of infrastructure / Municipal population]	\$12,271	\$15,466	\$16,480	\$17,253	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads ⁵]	14	14	15	15	
Disadvantage <i>Relative socio-economic disadvantage⁶</i> [Index of Relative Socio-economic Disadvantage by decile]	4	4	4	4	

² "own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants). "adjusted underlying revenue" means total income other than—

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

³ "population" means the resident population estimated by council

⁴ "infrastructure" means non-current property, plant and equipment excluding land

⁵ "local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004* and includes right-of- ways and laneways

⁶ "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

WANGARATTA RURAL CITY COUNCIL
PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Service Performance Indicators

Service / indicator / [measure]	Results				Material Variations
	2016	2017	2018	2019	
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.1	5.0	4.7	4.6	
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	0	
Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications ⁷ and major non-compliance notifications ⁸ about a food premises ⁹ followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	55%	68%	A number of businesses not followed up were either closed during the reporting period or mobile premises that were followed up within other municipalities and found compliant.
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]	48	50	51	51	
Home and community care Participation <i>Participation in HACC service¹⁰</i> [Number of people that received a HACC service / Municipal target population ¹¹ for HACC services] x100 Participation <i>Participation in HACC service by CALD¹² people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	26%	NA	NA	NA	Reporting ceased effective 1 July 2016
	19%	NA	NA	NA	Reporting ceased effective 1 July 2016

⁷ "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 authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health.

⁸ "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 authorised officer under that Act, if it relates to a deficiency that does not pose an immediate serious threat to public health but which may do so if no remedial action is taken. Typically auditor notifications that fall into this category will be received under section 19N(4) at the conclusion of the audit process.

⁹ "food premises" has the same meaning as in the *Food Act 1984*

¹⁰ "HACC service" means home help, personal care or community respite provided under the HACC program

¹¹ "target population" has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act 1985* of the Commonwealth

¹² "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

WANGARATTA RURAL CITY COUNCIL
PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Service Performance Indicators (continued)

Service / indicator / [measure]	Results				Material Variations
	2016	2017	2018	2019	
Libraries Participation <i>Active library members</i> [Number of active library members ¹³ / Municipal population ¹⁴] x100	17%	16%	15%	14%	
Maternal and child health Participation <i>Participation in the MCH service¹⁵</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	77%	78%	80%	74%	
Participation <i>Participation in the MCH service by Aboriginal children¹⁶</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	71%	79%	68%	75%	
Roads Satisfaction <i>Satisfaction with sealed local roads¹⁷</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	58	56	56	57	
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	100%	0%	NA	67%	Council had three planning matters referred to VCAT during 2018/19. Out of the three matters, VCAT upheld two of the Council's planning decisions.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	56%	61%	61%	60%	

¹³ "active library member" means a member of a library who has borrowed a book from the library

¹⁴ "population" means the resident population estimated by council

¹⁵ "MCH service" 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

¹⁶ "Aboriginal child" means a child who is an Aboriginal person. "Aboriginal person" has the same meaning as in the *Aboriginal Heritage Act 2006*

¹⁷ "sealed local roads" means sealed roads under the control of the municipality and includes the road pavement and road seal (and kerb and channel where applicable)

WANGARATTA RURAL CITY COUNCIL
PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Financial Performance Indicators

Dimension / indicator / [measure]	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) ¹⁸ <small>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue¹⁹ x100]</small>	-6%	2%	8%	-3%	-5%	-8%	-8%	-7%	Due to the recognition of non-monetary contributions of \$1.175 million.
Liquidity Working capital Current assets ²⁰ compared to current liabilities ²¹ <small>[Current assets / Current liabilities] x100</small>	148%	250%	358%	201%	142%	108%	144%	237%	The key driver is the increase in trade payables of \$2.5 million for materials and contracts.
Unrestricted cash Unrestricted cash ²² compared to current liabilities <small>[Unrestricted cash / Current liabilities] x100</small>	93%	27%	75%	19%	109%	74%	108%	200%	Council's cash balances are lower due to the funding of brought forward capital works in 2018/19.
Obligations Loans and borrowings Loans and borrowings compared to rates <small>[Interest bearing loans and borrowings / Rate revenue] x100</small>	37%	32%	28%	25%	69%	76%	74%	65%	New loan borrowings not drawn down in 2018/19 and existing loan repayments completed.
Loans and borrowings repayments compared to rates <small>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</small>	6%	5%	4%	3%	6%	8%	10%	10%	New loan borrowings not drawn down in 2018/19 and existing loan repayments completed.

¹⁸ "adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

¹⁹ "adjusted underlying revenue" means total income other than—

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

²⁰ "current assets" has the same meaning as in the Australian Accounting Standards (AAS)

²¹ "current liabilities" has the same meaning as in the AAS

²² "unrestricted cash" means all cash and cash equivalents other than restricted cash. "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

WANGARATTA RURAL CITY COUNCIL
PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Financial Performance Indicators (continued)

Dimension / indicator / [measure]	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Indebtedness Working capital <i>Non-current liabilities²³ compared to own source revenue²⁴</i> <small>[Non-current liabilities / Own source revenue] x100</small>	58%	59%	56%	56%	80%	81%	77%	69%	
Asset renewal <i>Asset renewal²⁵ compared to depreciation</i> <small>[Asset renewal expenses / Asset depreciation] x100</small>	62%	44%	54%	63%	64%	39%	39%	38%	There has been an increase in renewal expenditure during the financial year.

²³ "non-current liabilities" means all liabilities other than current liabilities

²⁴ "own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

²⁵ "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

WANGARATTA RURAL CITY COUNCIL
PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Financial Performance Indicators (continued)

Dimension / indicator / [measure]	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Stability Rates concentration <i>Rates compared to adjusted underlying revenue²⁶</i> <small>[Rate revenue²⁷ / Adjusted underlying revenue] x100</small>	56%	49%	52%	53%	55%	56%	57%	57%	
Rates effort <i>Rates compared to property values</i> <small>[Rate revenue / Capital improved value²⁸ of rateable properties in the municipality] x100</small>	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	
Efficiency Expenditure level <i>Expenses per property assessment</i> <small>[Total expenses / Number of property assessments]</small>	\$3,579	\$3,819	\$3,547	\$3,991	\$4,076	\$4,213	\$4,310	\$4,385	This measure includes non-cash costs of depreciation and increases in the landfill provision. During the financial year, there is an expense of almost \$1.187 million due to the landfill provision increasing and depreciation increase of \$4.1 million.
Revenue level <i>Average residential rate per residential property assessment²⁹</i> <small>[Residential rate revenue³⁰ / Number of residential property assessments]</small>	\$1,667	\$1,713	\$1,750	\$1,825	\$1,849	\$1,854	\$1,915	\$1,979	The increase is due to the 2.25% rate cap plus a 6% increase in the service rates and charges.
Workforce turnover <i>Resignations and terminations³¹ compared to average staff</i> <small>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</small>	21%	14%	13%	10%	10%	10%	10%	10%	Council attributes the reduction in the turnover provision to an increase in career opportunities within the organisation as evidenced by an increase in internal candidates fulfilling vacancies.

²⁶ "adjusted underlying revenue" means total income other than—

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

²⁷ "rate revenue" means revenue from general rates, municipal charges, service rates and service charges

²⁸ "capital improved value" means the market value of a property and is measured at the end of the year and includes all valuation adjustments (e.g. supplementary valuations)

²⁹ "residential property assessments" means the number of residential property assessments at the end of the year and includes all property adjustments (e.g. new or deleted assessments)

³⁰ "residential rate revenue" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

³¹ "resignations and terminations" means all permanent employees (including senior officers on contract) that leave the council and includes resignations, terminations, retirements and redundancies

WANGARATTA RURAL CITY COUNCIL

PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Certification

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


Anthony Smith, Bachelor of Business (Administration) and Graduate Diploma in Accounting

Principal Accounting Officer

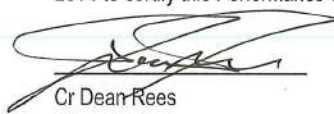
Dated: 25 September 2019

In our opinion, the accompanying Performance Statement of the Wangaratta Rural City Council for the year ended 30 June 2019 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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


Cr Dean Rees

Mayor

Dated: 25 September 2019


Cr Mark Currie

Deputy Mayor

Dated: 25 September 2019


Jaime Chubb

Acting Chief Executive Officer

Dated: 25 September 2019

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 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • basis of preparation • certification. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>


Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
30 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

RURAL CITY OF WANGARATTA

FINANCIAL REPORT

2018-2019



Comprehensive Income Statement For the Year Ended 30 June 2019

	Consolidated		Note	Council	
	2019 \$'000	2018 \$'000		2019 \$'000	2018 \$'000
Income					
Rates and charges	32,189	30,738	3.1	32,189	30,738
Statutory fees and fines	1,202	1,212	3.2	1,202	1,212
User fees	8,613	7,747	3.3	8,041	7,747
Grants - operating	15,082	14,743	3.4(a)	15,082	14,743
Grants - capital	4,544	5,125	3.4(b)	4,544	5,125
Contributions - monetary	593	143	3.5	593	143
Contributions - non monetary	1,175	2,561	3.5	1,175	2,561
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	(56)	407	3.6	(56)	407
Share of net profits (or loss) of associates	-	7	6.3(a)	-	7
Other income	2,230	1,668	3.7	2,230	1,668
Total income	65,572	64,351		65,000	64,351
Expenses					
Employee costs	23,415	22,362	4.1	23,227	22,362
Materials and services	19,443	17,212	4.2	19,268	17,212
Depreciation and amortisation	17,104	12,944	4.3	17,098	12,944
Bad and doubtful debts	28	8	4.4	28	8
Borrowing costs	1,558	429	4.5	1,558	429
Other expenses	403	1,531	4.6	403	1,531
Library book revaluation	-	84	4.7	-	84
Total expenses	61,951	54,570		61,582	54,570
Surplus for the year	3,621	9,781		3,418	9,781
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment	5,329	46,371	6.2	5,329	46,371
Total comprehensive result	8,950	56,152		8,747	56,152

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

Balance Sheet As at 30 June 2019

	Consolidated		Note	Council	
	2019 \$'000	2018 \$'000		2019 \$'000	2018 \$'000
Current assets					
Cash and cash equivalents	6,453	12,140	5.1(a)	6,129	12,140
Trade and other receivables	7,122	4,064	5.1(c)	7,085	4,064
Other financial assets	14,810	19,833	5.1(b)	14,810	19,833
Inventories	-	1	5.2(a)	-	1
Non-current assets classified as held for sale	2,110	3,788	6.1	2,110	3,788
Investments in associates	-	-	6.3(a)	-	-
Other assets	641	402	5.2(b)	641	402
Total current assets	31,136	40,228		30,775	40,228
Non-current assets					
Trade and other receivables	4	7	5.1(c)	4	7
Other financial assets	10	10	5.1 (b)	10	10
Property, infrastructure, plant and equipment	556,229	532,850	6.2	556,176	532,850
Intangible assets	1,369	1,684	5.2(c)	1,369	1,684
Total non-current assets	557,612	534,551		557,559	534,551
Total assets	588,748	574,779		588,334	574,779
Liabilities					
Current liabilities					
Trade and other payables	8,220	4,413	5.3(a)	8,174	4,413
Trust funds and deposits	1,488	1,237	5.3(b)	1,488	1,237
Provisions	5,210	5,042	5.5(a)	5,197	5,042
Interest-bearing liabilities	442	552	5.4	442	552
Total current liabilities	15,360	11,244		15,301	11,244
Non-current liabilities					
Provisions	16,503	15,310	5.5	16,503	15,310
Interest-bearing liabilities	7,743	8,185	5.4	7,743	8,185
Total non-current liabilities	24,246	23,495		24,246	23,495
Total liabilities	39,606	34,739		39,547	34,739
Net assets	549,142	540,040		548,787	540,040
Equity					
Contributed Equity	152	-		-	-
Accumulated surplus	178,564	175,550		178,361	175,550
Reserves	370,426	364,490	9.1	370,426	364,490
Total Equity	549,142	540,040		548,787	540,040

Statement of Changes in Equity For the Year Ended 30 June 2019

Consolidated	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves		Contributed Equity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at beginning of the financial year		540,040	483,888	175,550	169,354	353,029	306,658	11,461	7,876	-	-
Surplus for the year		3,621	9,781	3,621	9,781	-	-	-	-	-	-
Contributed equity		152	-	-	-	-	-	-	-	152	-
Net asset revaluation increment	9.1	5,329	46,371	-	-	5,329	46,371	-	-	-	-
Transfers to other reserves	9.1	-	-	(6,477)	(6,502)	-	-	6,477	6,502	-	-
Transfers from other reserves	9.1	-	-	5,870	2,917	-	-	(5,870)	(2,917)	-	-
Balance at end of the financial year		549,142	540,040	178,564	175,550	358,358	353,029	12,068	11,461	152	-

Council	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves		Other Reserves	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at beginning of the financial year		540,040	483,888	175,550	169,354	353,029	306,658	11,461	7,876	-	-
Surplus for the year		3,418	9,781	3,418	9,781	-	-	-	-	-	-
Net asset revaluation increment	9.1	5,329	46,371	-	-	5,329	46,371	-	-	-	-
Transfers to other reserves	9.1	-	-	(6,477)	(6,502)	-	-	6,477	6,502	-	-
Transfers from other reserves	9.1	-	-	5,870	2,917	-	-	(5,870)	(2,917)	-	-
Balance at end of the financial year		548,787	540,040	178,361	175,550	358,358	353,029	12,068	11,461	-	-

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

Statement of Cash Flows For the Year Ended 30 June 2019

	Consolidated		Note	Council	
	2019 \$'000	2018 \$'000		2019 \$'000	2018 \$'000
Cash flows from operating activities					
Rates and charges	32,119	30,668		32,119	30,668
Statutory fees and fines	1,202	1,212		1,202	1,212
User charges	5,616	7,383		5,023	7,383
Grants - operating	15,082	14,743		15,082	14,743
Grants - capital	4,544	5,125		4,544	5,125
Contributions - monetary	593	143		593	143
Interest received	705	653		705	653
Reimbursements	1,312	179		1,312	179
Other receipts	48	209		48	209
Net GST payment/refund	616	(16)		616	(16)
Employee costs	(23,027)	(22,252)		(23,027)	(22,252)
Materials and services	(17,206)	(16,966)		(16,845)	(16,966)
Trust funds and deposits repaid	251	216		251	216
Net cash provided by operating activities	21,855	21,297	9.2	21,623	21,297
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(32,844)	(12,296)		(32,826)	(12,296)
Proceeds from sale of property, infrastructure, plant and equipment	1,092	1,030		1,092	1,030
Proceeds/Payments for investments	5,023	(4,160)		5,023	(4,160)
Net cash used in investing activities	(26,729)	(15,426)		(26,711)	(15,426)
Cash flows from financing activities					
Finance costs	(371)	(427)		(371)	(427)
Contributed capital	110	-		-	-
Repayment of borrowings	(552)	(865)		(552)	(865)
Net cash used in financing activities	(813)	(1,292)		(923)	(1,292)
Net increase in cash and cash equivalents	(5,687)	4,579		(6,011)	4,579
Cash and cash equivalents at the beginning of the financial year	12,140	7,561		12,140	7,561
Cash and cash equivalents at the end of the financial year	6,453	12,140	5.1(a)	6,129	12,140
Financing arrangements			5.6		
Restrictions on cash assets			5.1		

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

Statement of Capital Works For the Year Ended 30 June 2019

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Land				
Land improvements	85	232	85	232
Total land	85	232	85	232
Buildings				
Buildings	1,473	370	1,473	370
Building improvements	-	-	-	-
Total Buildings	1,473	370	1,473	370
Total Property	1,558	602	1,558	602
Plant and equipment				
Plant, machinery and equipment	1,346	2,319	1,346	2,319
Fixtures, fittings and furniture	159	26	159	26
Computers and telecommunications	310	293	310	293
Art Collection	-	8	-	8
Library books	183	178	183	178
Total plant and equipment	1,998	2,824	1,998	2,824
Infrastructure				
Roads	17,942	4,079	17,942	4,079
Bridges	446	283	446	283
Footpaths and cycleways	554	463	554	463
Drainage	1,621	885	1,621	885
Recreational, leisure and community facilities	1,944	1,590	1,944	1,590
Waste management	2,307	605	2,307	605
Parks, open space and streetscapes	2,877	9	2,877	9
Aerodromes	16	3	16	3
Off street car parks	54	966	54	966
Other infrastructure	1,513	-	1,513	-
Total infrastructure	29,274	8,883	29,274	8,883
Total capital works expenditure	32,830	12,309	32,830	12,309
Represented by:				
New asset expenditure	19,063	2,176	19,063	2,176
Asset renewal expenditure	10,694	7,019	10,694	7,019
Asset expansion expenditure	113	28	113	28
Asset upgrade expenditure	2,960	3,086	2,960	3,086
Total capital works expenditure	32,830	12,309	32,830	12,309

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

Notes to the Financial Report
For the Year Ended 30 June 2019

OVERVIEW

Introduction

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

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent and \$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.

The budget figures detailed below are those adopted by Council on 19 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget	Actual	Variance	Variance	
	2019	2019	2019	%	Ref
	\$'000	\$'000	\$'000		
Income					
Rates and charges	32,266	32,189	(77)	0%	
Statutory fees and fines	1,213	1,202	(11)	-1%	
User fees	7,750	8,041	291	4%	1
Grants - operating	9,808	15,082	5,274	54%	2
Grants - capital	5,224	4,544	(680)	-13%	3
Contributions - monetary	343	593	250	73%	4
Contributions - non monetary	-	1,175	1,175	100%	5
Net gain on disposal of property, infrastructure, plant and equipment	2,313	(56)	(2,369)	-102%	6
Other income	446	2,230	1,784	400%	7
Total income	59,363	65,000	5,637	9%	
Expenses					
Employee costs	23,090	23,227	(137)	-1%	
Materials and services	17,433	19,268	(1,835)	-11%	8
Depreciation and amortisation	15,831	17,098	(1,267)	-8%	9
Bad and doubtful debts	-	28	(28)	100%	
Borrowing costs	370	1,558	(1,188)	-321%	10
Other expenses	102	403	(301)	-295%	11
Total expenses	56,826	61,582	(4,756)	-8%	
Surplus for the year	2,537	3,418	881	35%	

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 1 Performance against budget (cont'd)

1.1 Income and expenditure (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees	User fees for rental properties is \$141k higher than budget, Family and Early Childhood \$269K and Aged & Community Care \$222k also higher than budget. Wangaratta Saleyard user fees less than budget \$499k due to the establishment of Wangaratta Livestock Exchange Pty Ltd (WLE).
2	Grants - operating	Council received 50% of the 2019/20 Financial Assistance Grants allocation in June 2019 which were not budgeted for. Operating grants higher than budget include Aged & Community Care \$387k, Projects and Recreation \$342k and Family and Early Childhood Services \$98k.
3	Grants - capital	The receipt of the grant for the Aquatics Plan of \$2.0m deferred to future years.
4	Contributions - monetary	Contributions Monetary for Open Space is \$86k higher than budget due to subdivisions and for Capital Works is \$162k higher than budget due to recreation projects that have sporting club contributions..
5	Contributions - non monetary	Council does not budget for the contribution of non monetary assets.
6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The recognition of Written Down Value of land sold was not included in the Adopted Budget.
7	Other income	\$1.2m of natural disaster reimbursements not budgeted for, interest on investments is \$232k higher than budget and \$50k reimbursement from the State Revenue Office not budgeted for.
8	Materials and services	\$1.65m of natural disaster emergency and restoration works undertaken that was not budgeted for. \$569k increased expenditure in Community Care and Packaged care due to increased funding. Economic Development Projects underspent by \$269k. \$167k underspend in the Wangaratta Saleyards. Council established the Wangaratta Livestock Exchange Pty Ltd to operate the Saleyards as a going concern.
9	Depreciation and amortisation	Increase in depreciation due to increased asset values arising from revaluations.
10	Borrowing costs	Borrowing costs include \$1.187m in relation to the increase in provision for landfill arising from changes in discount rates. The changes in discount rates cannot be budgeted for.
11	Other expenses	Councillor expenditure of \$271k is budgeted under Materials and Services. Also the classification of rate assistance rebates of \$43k not budgeted for.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget	Actual	Variance	Variance	
	2019	2019	2019	%	
	\$'000	\$'000	\$'000		Ref
Land					
Land improvements	143	85	(58)	-41%	1
Total Land	143	85	(58)	-41%	
Buildings					
Buildings	1,666	1,473	(193)	-12%	2
Total Buildings	1,666	1,473	(193)	-12%	
Total Property	1,809	1,558	(251)	-14%	
Plant and Equipment					
Plant, machinery and equipment	1,826	1,346	(480)	-26%	3
Fixtures, fittings and furniture	305	159	(146)	-48%	4
Computers and telecommunications	767	310	(457)	-60%	5
Art Collection	5	-	(5)	-100%	
Library books	183	183	-	0%	
Total Plant and Equipment	3,086	1,998	(1,088)	-35%	
Infrastructure					
Roads	10,940	17,942	7,002	64%	6
Bridges	548	446	(102)	-19%	7
Footpaths and cycleways	710	554	(156)	-22%	8
Drainage	1,944	1,621	(323)	-17%	9
Recreational, leisure and community facilities	10,676	1,944	(8,732)	-82%	10
Waste management	3,730	2,307	(1,423)	-38%	11
Parks, open space and streetscapes	3,314	2,877	(437)	-13%	12
Aerodromes	855	16	(839)	-98%	13
Off street car parks	52	54	2	4%	
Other infrastructure	1,096	1,513	417	38%	14
Total Infrastructure	33,865	29,274	(4,591)	-14%	
Total Capital Works Expenditure	38,760	32,830	(5,930)	-15%	
Represented by:					
New asset expenditure	22,357	19,063	(3,294)	-15%	
Asset renewal expenditure	11,850	10,694	(1,156)	-10%	
Asset expansion expenditure	103	113	10	10%	
Asset upgrade expenditure	4,450	2,960	(1,490)	-33%	
Total Capital Works Expenditure	38,760	32,830	(5,930)	-15%	

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 1 Performance against budget (cont'd)

1.2 Capital works (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land improvements	\$58k Cemetery Development deferred to 2019/20
2	Buildings	\$129k Gallery Feasibility Study deferred to 2019/20
3	Plant, machinery and equipment	\$178k Plant replacement program purchases deferred to 2019/20
4	Fixtures, fittings and furniture	\$302k CBD Street Banners deferred to 2019/20
5	Computers and telecommunications	\$299k Payroll & HRIS Implementation, \$40k Document Scanning Software project and \$113k Building and Planning Online deferred to 2019/20
6	Roads	\$150k Renewal Kerb and Channel and \$157k Williams Road Kerb and Channel deferred to 2019/20. This is offset by brought forward expenditure in relation to Cruse Street of \$7.0m and \$710k Wangaratta - Eldorado/Bourke Road works from additional State Government funding
7	Bridges	\$22k Renewal Bridges deferred to 2019/20
8	Footpaths and cycleways	\$118k CBD Pedestrian Improvements Masterplan deferred to 2019/20
9	Drainage	\$277k Waldara LDRZ Drainage and \$223k Appin Street Drainage Renewal deferred to 2019/20
10	Recreational, leisure and community facilities	\$158k Barr Two Oval Lighting, \$803k HP Barr Oval Drainage, \$7.45m Aquatics Plan - WISAC Development, \$291k Female Friendly Facility Moyhu, \$429k Glenrowan Recreation Reserve, \$306k Glenrowan Recreation Reserve Netball Court and \$15k North Wangaratta Recreation Reserve deferred to 2019/20
11	Waste management	\$1.27m Organics Processing Plant, \$5k Polystyrene Extruder and \$54k Cell 2 and 8 Rehabilitation deferred to 2019/20
12	Parks, open space and streetscapes	\$81k CBD Masterplan (Railway Precinct) and \$32k Rural Township Entrance Plan deferred to 2019/20. CBD Materplan (Ovens St & King George Gardens) was completed under budget by \$345k
13	Aerodromes	\$839K Commercial Hangars construction deferred to 2019/20
14	Other infrastructure	\$455k Additional expenditure in relation to the completion of the Murrell Street Subdivision

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Executive Services

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

Corporate Services

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

Development Services

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

Community Wellbeing

Community wellbeing provides high quality community focused programs, service delivery and communication to residents. Community Wellbeing is comprised of arts, culture and events, community engagement, Recreation, Family and early Childhood Service, Aged and disability services.

Infrastructure Services

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

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 2.1 Analysis of Council results by program

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

	Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Executive Services	7	985	(978)	0	0
Corporate Services	43,945	23,962	19,983	7,453	1,004
Development Services	2,385	5,969	(3,584)	289	0
Community Wellbeing	10,883	14,930	(4,047)	7,230	1,592
Infrastructure Services	7,780	15,736	(7,956)	4,654	553,580
	65,000	61,582	3,418	19,626	556,176
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2018					
Executive Services	32	804	(772)	0	0
Corporate Services	41,318	20,009	21,309	7,045	1,004
Development Services	2,936	5,588	(2,652)	192	0
Community Wellbeing	10,937	13,474	(2,537)	7,352	1,395
Infrastructure Services	9,128	14,695	(5,567)	5,279	530,451
	64,351	54,570	9,781	19,868	532,850

Notes to the Financial Report
For the Year Ended 30 June 2019

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 plus buildings and other improvements.

The valuation base used to calculate general rates for 2018/19 was \$5,521,530,000 (2017/18 \$4,995,225,000).

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
General Rates	11,641	11,487	11,641	11,487
Rural	5,704	5,393	5,704	5,393
Rural residential	4,657	4,441	4,657	4,441
Commercial/industrial	115	3,970	115	3,970
Commercial	2,839	-	2,839	-
Industrial	1,129	-	1,129	-
Cultural and recreational	21	25	21	25
Garbage	2,860	2,658	2,860	2,658
Recycling	1,722	1,415	1,722	1,415
Organics	1,320	1,238	1,320	1,238
Supplementary rates and rate adjustments	181	111	181	111
Total rates and charges	32,189	30,738	32,189	30,738

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

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

3.2 Statutory fees and fines

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Animal Registrations	369	361	369	361
Vehicle Crossing	25	20	25	20
Health fees	156	201	156	201
Infringements and costs	341	203	341	203
Land information certificates	28	25	28	25
Planning and building fees	269	360	269	360
Election Fines	4	32	4	32
Library Fines	10	10	10	10
Total statutory fees and fines	1,202	1,212	1,202	1,212

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

Notes to the Financial Report
For the Year Ended 30 June 2019

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

3.3 User fees

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Aged and disability services	1,073	874	1,073	874
Aerodrome	6	7	6	7
Building and planning fees	288	174	288	174
Cemetery	298	310	298	310
Children's services	2,221	1,942	2,221	1,942
Community compliance	15	14	15	14
Events	9	3	9	3
Engineering fees	158	51	158	51
External private works	42	43	42	43
Landfill and transfer station charges	1,858	1,881	1,858	1,881
Library	136	152	136	152
Livestock exchange fees	607	510	35	510
Parking	398	423	398	423
Performing arts and culture	584	460	584	460
Regional Certification	9	37	9	37
Rental properties	603	538	603	538
Tourism	27	33	27	33
Other	281	295	281	295
Total user fees	8,613	7,747	8,041	7,747

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

3.4 Funding from other levels of government

Grants were received in respect of the following :

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Summary of grants				
Commonwealth funded grants	12,922	14,657	13,061	14,657
State funded grants	6,565	5,211	6,565	5,211
Total grants received	19,487	19,868	19,626	19,868

(a) Operating Grants

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Recurrent - Commonwealth Government				
Community Support North East - Commonwealth funded programs	4,392	5,034	4,392	5,034
Financial Assistance Grants - local roads	2,398	2,356	2,398	2,356
Financial Assistance Grants - unallocated	5,056	4,652	5,056	4,652
Recurrent - State Government				
Aged and disability	478	434	478	434
Community Support North East - DHS funded programs	-	-	-	-
Culture and recreation	172	206	172	206
Emergency	60	110	60	110
Environment	33	27	33	27
Family day care	580	641	580	641
Library	230	224	230	224
Maternal and child health	435	358	435	358
Youth Services	70	72	70	72
Other	186	91	186	91
Total recurrent operating grants	14,090	14,205	14,090	14,205

Notes to the Financial Report
For the Year Ended 30 June 2019

3.4 Funding from other levels of government (cont'd)

(a) Operating Grants (cont'd)

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-recurrent - Commonwealth Government				
Community Wellbeing	-	13	-	13
Non-recurrent - State Government				
Cultural development	627	244	627	244
Age and disability	-	102	-	102
Environmental enhancement	108	46	108	46
Waste	-	45	-	45
Corporate Services	82	38	82	38
Children's Services	118	-	118	-
Levy bank repairs	14	-	14	-
Economic development	-	35	-	35
Events	5	-	5	-
Youth Services	-	12	-	12
Library	-	2	-	2
Family and children	-	1	-	1
People and Culture	2	-	2	-
Planning	1	-	1	-
Tourism projects	35	-	35	-
Total non-recurrent operating grants	992	538	992	538
Total operating grants	15,082	14,743	15,082	14,743

(b) Capital Grants

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Recurrent - Commonwealth Government				
Roads to recovery	1,076	2,584	1,076	2,584
Total recurrent capital grants	1,076	2,584	1,076	2,584

Notes to the Financial Report
For the Year Ended 30 June 2019

3.4 Funding from other levels of government (cont'd)

(b) Capital Grants (cont'd)

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-recurrent - Commonwealth Government				
Mitchell Ave Park Project	-	18	-	18
Aquatics plan - WSAC Development	129	-	129	-
Wangaratta Aerodrome - Commercial Hangars	10	-	10	-
Non-recurrent - State Government				
Wangaratta-Eldorado Road / Bourke Road Intersection	710	-	710	-
Coronation Pre School	335	-	335	-
Railway Precinct	300	-	300	-
Organics processing plant	236	-	236	-
Bus Shelter Construction	204	31	204	31
Mitchell Avenue Children's Garden Construction	180	-	180	-
E-waste infrastructure	98	-	98	-
Wangaratta Flood Mitigation Strategy and Design - Areas Prot	590	-	590	-
Sisely Avenue / Swan Street Intersection	116	-	116	-
Design - Greta Rd/Mason St Roundabout Improvement	153	-	153	-
Safe pedestrian crossings	30	107	30	107
South Wangaratta Reserve Lighting Upgrade	207	-	207	-
Bridge Renewal	10	24	10	24
Appin Park Lighting	10	-	10	-
WJ Findlay Oval Lighting	150	-	150	-
North Wangaratta Recreation Reserve	-	2,000	-	2,000
City Oval Tennis Precinct - Stage One Buildings	-	102	-	102
Glenrowan Recreation Reserve Project	-	90	-	90
Glenrowan Recreation Reserve Kelly Tigers Netball Court	-	90	-	90
Oxley School Carpark sealing	-	50	-	50
Moyhu Tennis Multiuse Project	-	9	-	9
Tennis Cluster Project Lighting	-	9	-	9
Wareena Park Lighting and Pavilion Development	-	9	-	9
Kyamba Foundation	-	2	-	2
Total non-recurrent capital grants	3,468	2,541	3,468	2,541
Total capital grants	4,544	5,125	4,544	5,125

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at start of year	2,519	1,537	2,519	1,537
Received during the financial year and remained unspent at balance date	1,747	1,566	1,747	1,566
Received in prior years and spent during the financial year	(2,519)	(584)	(2,519)	(584)
Balance at year end	1,747	2,519	1,747	2,519

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

Notes to the Financial Report
For the Year Ended 30 June 2019

3.5 Contributions

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Monetary	593	143	593	143
Non-monetary	1,175	2,561	1,175	2,561
Total contributions	1,768	2,704	1,768	2,704
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>				
Artwork	-	79	-	79
Drainage	505	1,368	505	1,368
Paths	60	169	60	169
Roads (including Kerbing)	610	945	610	945
Total non-monetary contributions	1,175	2,561	1,175	2,561

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

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

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Proceeds of sale	1,092	1,030	1,092	1,030
Written down value of assets disposed	(1,148)	(623)	(1,148)	(623)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(56)	407	(56)	407

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

3.7 Other income

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Interest	705	653	705	653
Reimbursements - other	104	179	104	179
Reimbursements - Natural disasters	1,208	806	1,208	806
Found Assets - Paths	165	-	165	-
Other	48	30	48	30
Total other income	2,230	1,668	2,230	1,668

Interest is recognised as it is earned.

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

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 4 The cost of delivering services

4.1 Employee costs

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	17,994	17,248	17,834	17,248
Annual leave and long service leave	2,940	2,527	2,927	2,527
WorkCover	199	163	198	163
Superannuation	1,885	1,928	1,871	1,928
Redundancy	115	215	115	215
Other	282	281	282	281
Total employee costs	23,415	22,362	23,227	22,362

(b) Superannuation

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Council made contributions to the following funds:				
Defined benefit fund				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	94	95	94	95
	94	95	94	95
Employer contributions payable at reporting date.	-	-	-	-
Accumulation funds				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,293	1,330	1,293	1,330
Employer contributions - other funds	694	503	680	503
	1,987	1,833	1,973	1,833
Employer contributions payable at reporting date.	87	181	87	181

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

Notes to the Financial Report
For the Year Ended 30 June 2019

4.2 Materials and services

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Contract payments	6,053	5,104	6,053	5,104
Plant operating	3,462	3,243	3,462	3,243
Packaged care brokerage	1,526	1,276	1,526	1,276
Other materials and services	1,474	832	1,474	832
Utilities	1,106	1,068	1,106	1,068
Community grants and contributions	979	660	979	660
Consultants	842	1,034	842	1,034
Levies and licences	1,036	952	1,036	952
Software maintenance	477	511	477	511
Insurance	472	412	472	412
Staff development	324	294	324	294
Advertising and promotion	246	256	246	256
Security	208	194	208	194
Packaged care unspent funds transferred	181	225	181	225
Telephone	127	248	127	248
Brokerage fees - HACC	123	-	123	-
Legal Expenses	102	164	102	164
Consultants - Natural disasters	89	28	89	28
Postage	87	88	87	88
Bank charges	74	78	74	78
Minor equipment	72	86	72	86
Printing and stationery	71	98	71	98
Subscriptions & publications	64	160	64	160
Building maintenance	31	27	31	27
Valuation Contract	24	123	24	123
Plant and equipment maintenance	18	11	18	11
Consultants - North Wangaratta Recreation Reserve	-	40	-	40
Livestock exchange	175	-	-	-
Total materials and services	19,443	17,212	19,268	17,212

4.3 Depreciation and amortisation

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Property	1,252	1,514	1,252	1,514
Plant and equipment	2,493	1,918	2,487	1,918
Infrastructure	13,044	9,218	13,044	9,218
Total depreciation	16,789	12,650	16,783	12,650
Intangible assets	315	294	315	294
Total depreciation and amortisation	17,104	12,944	17,098	12,944

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

Notes to the Financial Report
For the Year Ended 30 June 2019

4.4 Bad and doubtful debts

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Parking fine debtors	28	8	28	8
Total bad and doubtful debts	28	8	28	8

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Movement in provisions for doubtful debts				
Balance at the beginning of the year	127	119	127	119
New Provisions recognised during the year	28	8	28	8
Balance at end of year	155	127	155	127

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

4.5 Borrowing costs

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Interest - Borrowings	371	427	371	427
Increase in provision for landfill arising from changes in discount rates	1,187	2	1,187	2
Total borrowing costs	1,558	429	1,558	429

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

4.6 Other expenses

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	39	46	39	46
Auditors' remuneration - Internal	43	76	43	76
Councillors' allowances	271	268	271	268
Assets written-off / impaired - Waste management assets	-	1,013	-	1,013
WIP reallocated to expenditure	-	121	-	121
Pension rebate -Recycling	43	-	43	-
New industry rate assistance	7	7	7	7
Total other expenses	403	1,531	403	1,531

4.7 Library book revaluation

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Recognition of Library book revaluation	-	84	-	84
Total library book revaluation	-	84	-	84

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 5 Our financial position

5.1 Financial assets

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
(a) Cash and cash equivalents				
Cash on hand	6	5	6	5
Cash at bank	804	1,635	480	1,635
Money market at call account	5,643	8,500	5,643	8,500
Term deposits	-	2,000	-	2,000
Total cash and cash equivalents	6,453	12,140	6,129	12,140
(b) Other financial assets				
Term deposits - current	14,810	19,833	14,810	19,833
Municipal Association Purchasing Scheme (MAPS) at cost	10	10	10	10
Total other financial assets	14,820	19,843	14,820	19,843
Total financial assets	21,273	31,983	20,949	31,983

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

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
- Grants (Note 3.4)	1,747	2,519	1,747	2,519
- Trust funds and deposits (Note 5.3)	1,488	1,237	1,488	1,237
Total restricted funds	3,235	3,756	3,235	3,756
Total unrestricted cash and cash equivalents	3,218	8,384	2,894	8,384

Intended allocations

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

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
- reserve funds allocated for specific future purposes (Note 9.1(b))	12,067	11,460	12,067	11,460
Total funds subject to intended allocations	12,067	11,460	12,067	11,460

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

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

Notes to the Financial Report
For the Year Ended 30 June 2019

5.1 Financial assets (cont'd)

(a) Trade and other receivables

Current	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Statutory receivables				
Rates and garbage debtors	1,021	951	1,021	951
Fire services property levy	141	148	141	148
Cemetery	40	29	40	29
Net GST receivable	1,017	401	1,017	401
Parking and animal infringement debtors	587	423	587	423
Less provision for doubtful debts - parking infringements	(155)	(127)	(155)	(127)
Interest on rates and garbage receivable and investments	130	178	130	178
Non statutory receivables				
Natural disaster reimbursements	1,582	594	1,582	594
Livestock Exchange	37	-	-	-
Other debtors	2,718	1,463	2,718	1,463
Loans and advances to community organisations	4	4	4	4
Total current trade and other receivables	7,122	4,064	7,085	4,064
Non-current				
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Non statutory receivables				
Loans and advances to community organisations	4	7	4	7
Total non-current trade and other receivables	4	7	4	7
Total trade and other receivables	7,126	4,071	7,089	4,071

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.

(b) Ageing of Receivables

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

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current (not yet due)	3,721	1,594	3,690	1,594
Past due by up to 30 days	425	270	420	270
Past due between 31 and 180 days	147	153	147	153
Past due between 181 and 365 days	18	43	17	43
Past due by more than 1 year	30	1	30	1
Total trade & other receivables	4,341	2,061	4,304	2,061

(c) Ageing of individually impaired Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

The ageing of receivables that have been individually determined as impaired at reporting date was:

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current (not yet due)	-	-	-	-
Past due by up to 30 days	-	-	-	-
Past due between 31 and 180 days	-	-	-	-
Past due between 181 and 365 days	-	-	-	-
Past due by more than 1 year	-	-	-	-
Total trade & other receivables	-	-	-	-

Notes to the Financial Report
For the Year Ended 30 June 2019

5.2 Non-financial assets

(a) Inventories

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Inventories held for distribution	-	1	-	1
Total inventories	-	1	-	1

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

(b) Other assets

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Prepayments	641	402	641	402
Total other assets	641	402	641	402

(c) Intangible assets

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Landfill air space	1,369	1,684	1,369	1,684
Total intangible assets	1,369	1,684	1,369	1,684

	Landfill \$'000	Total \$'000	Landfill \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2018	2,273	2,273	2,273	2,273
Balance at 1 July 2019	2,273	2,273	2,273	2,273

Accumulated amortisation and impairment				
Balance at 1 July 2018	589	295	589	295
Amortisation expense	315	294	315	294
Balance at 1 July 2019	904	589	904	589

Net book value	1,369	1,684	1,369	1,684
-----------------------	--------------	--------------	--------------	--------------

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.

Notes to the Financial Report
For the Year Ended 30 June 2019

5.3 Payables

(a) Trade and other payables

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Materials and contracts	5,196	2,624	5,179	2,624
Employee costs	1,144	940	1,144	940
Unearned income	1,627	712	1,627	712
Accrued expenses	232	137	224	137
June BAS Livestock	21	-	-	-
Total trade and other payables	8,220	4,413	8,174	4,413

(b) Trust funds and deposits

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Retention contract deposits	382	242	382	242
Refundable subdivision securities	522	427	522	427
Refundable relocate dwellings	31	31	31	31
Fire Services Property Levy	337	344	337	344
Wangaratta Performing Arts Centre	171	176	171	176
Other	45	17	45	17
Total trust funds and deposits	1,488	1,237	1,488	1,237

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.

5.4 Interest-bearing liabilities

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Borrowings - secured	442	552	442	552
Non-current				
Borrowings - secured	7,743	8,185	7,743	8,185
Total	8,185	8,737	8,185	8,737
The maturity profile for Council's borrowings is:				
Not later than one year	442	552	442	552
Later than one year and not later than five years	691	1,133	691	1,133
Later than five years	7,052	7,052	7,052	7,052
Total	8,185	8,737	8,185	8,737

Borrowings are secured over the rates & charges of Council.

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

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

Notes to the Financial Report
For the Year Ended 30 June 2019

5.5 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2019			
Balance at beginning of the financial year	5,675	14,677	20,352
Additional provisions	2,982	-	2,982
Amounts used	(2,821)	-	(2,821)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	1,187	1,187
Balance at the end of the financial year	5,836	15,864	21,700
2018			
Balance at beginning of the financial year	5,859	13,679	19,538
Additional provisions	2,634	996	3,630
Amounts used	(2,818)	-	(2,818)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	2	2
Balance at the end of the financial year	5,675	14,677	20,352

(a) Employee provisions

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be wholly settled within 12 months				
Redundancy	-	53	-	53
Annual leave	1,982	1,963	1,972	1,963
Long service leave	266	282	266	282
Rostered days off	254	245	254	245
Time accrued	139	122	136	122
	2,641	2,665	2,628	2,665
Current provisions expected to be wholly settled after 12 months				
Annual leave	82	31	82	31
Long service leave	2,487	2,346	2,487	2,346
	2,569	2,377	2,569	2,377
Total current employee provisions	5,210	5,042	5,197	5,042
Non-current				
Long service leave	639	633	639	633
Total non-current employee provisions	639	633	639	633
Aggregate carrying amount of employee provisions:				
Current	5,210	5,042	5,197	5,042
Non-current	639	633	639	633
Total aggregate carrying amount of employee provisions	5,849	5,675	5,836	5,675

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

Wages and salaries and annual leave

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

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

Notes to the Financial Report
For the Year Ended 30 June 2019

5.5 Provisions (cont'd)

(a) Employee provisions (cont'd)

Long service leave

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

Key assumptions:

	Consolidated		Council	
	2019	2018	2019	2018
- discount rate	2.30%	2.65%	2.30%	2.65%
- index rate	-	-	-	-
- inflation rate	1.50%	1.50%	1.50%	1.50%
- settlement rate	-	-	-	-

Probabilities of staff reaching their entitlements are based on managements best estimate and history.

(b) Landfill restoration

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current	-	-	-	-
Non-current	15,864	14,677	15,864	14,677
	15,864	14,677	15,864	14,677

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

Key assumptions:

	Consolidated		Council	
	2019	2018	2019	2018
- index rate	2.91%	2.14%	2.91%	2.14%
- discount rate	1.61%	1.61%	1.61%	1.61%

Annual discount rates are taken from the Reserve Bank of Australia Capital Market Yields Government Bonds.

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2019.

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Bank overdraft	400	400	400	400
Credit card facilities	213	213	213	213
Total facilities	613	613	613	613
Used facilities	29	21	29	21
Unused facilities	584	592	584	592

Notes to the Financial Report
For the Year Ended 30 June 2019

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.

Council 2019	Later than 1 year and not later than 2 years				Total
	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	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling contract	996	996	996	-	2,987
Co Store car park licence	462	470	1,450	5,001	7,382
Interest on borrowings	377	343	948	616	2,285
Management of pools	382	-	-	-	382
Environmental Monitoring - Bowser Landfill	234	234	-	-	469
HVAC Services maintenance	107	107	-	-	213
High Country Library Network - Operations Contribution	176	-	-	-	176
Total	2,734	2,149	3,394	5,617	13,893
Capital					
WSAC aquatics	12,174	6,020	-	-	18,194
Road reconstruction Eldorado	31	-	-	-	31
Major Patchings	222	-	-	-	222
Female friendly change room - Glenrowan Rec Reserve	452	-	-	-	452
Female friendly change room - Moyhu Rec Reserve	125	-	-	-	125
Osboldstone & Sisley Avenue Interchange Upgrade	334	-	-	-	334
Cruse Street	590	-	-	-	590
Williams Road Kerb & Channel	237	-	-	-	237
Wangaratta-Eldorado Road, Bourke Road Intersection	200	-	-	-	200
Supply and Installation of Light Towers Sth Wang Reserve	315	-	-	-	315
Construction of Organic Plant - Bowser East, Nth Wang	2,947	-	-	-	2,947
Glenrowan - Netball Court Construction	303	-	-	-	303
High Country Library Network - Book Contribution	199	-	-	-	199
Appin Street Drainage	54	-	-	-	54
Total	18,183	6,020	-	-	24,204

Council 2018	Later than 1 year and not later than 2 years				Total
	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	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling contract	996	996	1,991	-	3,982
Co Store car park licence	455	462	1,429	5,821	8,168
Interest on borrowings	415	373	977	924	2,688
Management of pools	382	382	-	-	763
Environmental Monitoring - Bowser Landfill	234	234	234	-	703
HVAC Services maintenance	107	107	107	-	320
High Country Library Network - Operations Contribution	176	176	-	-	352
Total	2,764	2,729	4,738	6,745	16,976
Capital					
Road Reconstruction - Thomson Street	627	-	-	-	627
Civil Works - Organics Plant	603	-	-	-	603
North Wangaratta - Recreation Reserve Rectification	598	-	-	-	598
Moyhu streetscape and drainage	461	-	-	-	461
HP Barr reserve roof	308	-	-	-	308
Organics Plant Purchase	366	-	-	-	366
High Country Library Network - Book Contribution	199	199	-	-	398
Williams Road Bridge Overlay	190	-	-	-	190
Various Isolated Kerb & Channel Renewal	116	-	-	-	116
Turner Street footbridge	95	-	-	-	95
Total	3,563	199	-	-	3,762

Notes to the Financial Report
For the Year Ended 30 June 2019

5.7 Commitments (cont'd)

Operating lease commitments

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Not later than one year	86	127	86	127
Later than one year and not later than five years	28	114	28	114
Later than five years	-	-	-	-
Total operating lease payable	114	241	114	241

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

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at start of year	3,788	777	3,788	777
Less assets disposed	(677)	(497)	(677)	(497)
Less assets no longer held for sale	(1,001)	-	(1,001)	-
Assets transferred from IPP&E	-	3,508	-	3,508
Total non current assets classified as held for sale	2,110	3,788	2,110	3,788

Assets held for sale include industrial land of \$850,000 and the old Ovens College site of \$1,260,462.

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.

Notes to the Financial Report
For the Year Ended 30 June 2019

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

Consolidated

Category	Fair Value 30 June 2018 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Found Assets \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Transfers WIP \$'000	Fair Value 30 June 2019 \$'000
Property	92,383	3,613	-	-	-	(1,252)	-	-	1,001	87	95,832
Plant and equipment	12,210	1,959	-	29	-	(2,493)	(86)	-	-	36	11,655
Infrastructure	424,164	8,391	1,175	5,300	165	(13,044)	(310)	-	-	1,715	427,556
Work in progress	4,093	18,931	-	-	-	-	-	-	-	(1,838)	21,186
	532,850	32,894	1,175	5,329	165	(16,789)	(396)	-	1,001	-	556,229

Council

Category	Fair Value 30 June 2018 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Found Assets \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Transfers WIP \$'000	Fair Value 30 June 2019 \$'000
Property	92,383	3,613	-	-	-	(1,252)	-	-	1,001	87	95,832
Plant and equipment	12,210	1,900	-	29	-	(2,487)	(86)	-	-	36	11,602
Infrastructure	424,164	8,391	1,175	5,300	165	(13,044)	(310)	-	-	1,715	427,556
Work in progress	4,093	18,931	-	-	-	-	-	-	-	(1,838)	21,186
	532,850	32,835	1,175	5,329	165	(16,783)	(396)	-	1,001	-	556,176

Summary of Work in Progress

Council/Consolidated

Category	Balance 30 June 2018 \$'000	Additions \$'000	Write Offs \$'000	Transfers \$'000	Balance 30 June 2019 \$'000
Property	287	495	-	(87)	695
Plant and equipment	220	102	-	(36)	286
Infrastructure	3,586	18,334	-	(1,715)	20,205
Total	4,093	18,931	-	(1,838)	21,186

Notes to the Financial Report
For the Year Ended 30 June 2019

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

(a) Property

Council/Consolidated

	Land		Buildings		Work In Progress	Property Total
	Specialised	Non-specialised	Heritage	Non-specialised		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2018	23,884	29,452	18,628	71,964	287	159,212
Accumulated depreciation at 30 June 2018	-	-	(12,457)	(12,457)	-	(66,542)
Fair value 30 June 2018	23,884	29,452	6,171	59,507	287	92,670
Movements in fair value						
Additions	-	-	2,141	2,141	495	4,108
Contributions	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Write-off	-	-	-	-	-	-
Transfer from assets held for sale	-	1,001	-	1,001	-	1,001
Transfers from WIP	-	-	87	87	(87)	-
Impairment losses recognised in operating result	-	-	-	-	-	-
Total	-	1,001	2,228	3,229	408	5,109
Movements in accumulated depreciation						
Depreciation and amortisation	-	-	(173)	(173)	-	(1,252)
Revaluation	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Total	-	-	(173)	(173)	-	(1,252)
At fair value 30 June 2019	23,884	30,453	20,856	75,193	695	164,321
Accumulated depreciation at 30 June 2019	-	-	(12,630)	(12,630)	-	(67,794)
Fair Value/Written Down Value 30 June 2019	23,884	30,453	8,226	62,563	695	96,527

Notes to the Financial Report
For the Year Ended 30 June 2019

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

(b) Plant and Equipment

Consolidated

	Plant machinery and equipment \$'000	Fixtures and fittings furniture \$'000	Computers and telecomms \$'000	Library books \$'000	Art Collection \$'000	Total plant and equipment \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2018	20,582	1,597	3,664	1,559	846	28,248	220	28,468
Accumulated depreciation at 1 July 2018	(11,521)	(957)	(2,550)	(1,010)	-	(16,038)	-	(16,038)
Fair Value 30 June 2018	9,061	640	1,114	549	846	12,210	220	12,430
Movements in fair value								
Additions	1,484	-	291	184	-	1,959	102	2,061
Revaluation	-	-	-	(57)	-	(57)	-	(57)
Disposal	(1,428)	(10)	-	-	-	(1,438)	-	(1,438)
Transfers from WIP	-	-	36	-	-	36	(36)	-
Total	56	(10)	327	127	-	500	66	566
Movements in accumulated depreciation								
Depreciation and amortisation	(2,010)	(30)	(437)	(16)	-	(2,493)	-	(2,493)
Revaluation	-	-	-	86	-	86	-	86
Accumulated depreciation of disposals	1,342	10	-	-	-	1,352	-	1,352
Total	(668)	(20)	(437)	70	-	(1,055)	-	(1,055)
At fair value 30 June 2019	20,638	1,587	3,991	1,686	846	28,748	286	29,034
Accumulated depreciation at 30 June 2019	(12,189)	(977)	(2,987)	(940)	-	(17,093)	-	(17,093)
Fair Value/Written Down Value 30 June 2019	8,449	610	1,004	746	846	11,655	286	11,941

Notes to the Financial Report
For the Year Ended 30 June 2019

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

(b) Plant and Equipment (cont'd)

Council

	Plant machinery and equipment	Fixtures and fittings 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 2018	20,582	1,597	3,664	1,559	846	28,248	220	28,468
Accumulated depreciation at 1 July 2018	(11,521)	(957)	(2,550)	(1,010)	-	(16,038)	-	(16,038)
Fair Value 30 June 2018	9,061	640	1,114	549	846	12,210	220	12,430
Movements in fair value								
Additions	1,425	-	291	184	-	1,900	102	2,002
Revaluation	-	-	-	(57)	-	(57)	-	(57)
Disposal	(1,428)	(10)	-	-	-	(1,438)	-	(1,438)
Transfers from WIP	-	-	36	-	-	36	(36)	-
Total	(3)	(10)	327	127	-	441	66	507
Movements in accumulated depreciation								
Depreciation and amortisation	(2,004)	(30)	(437)	(16)	-	(2,487)	-	(2,487)
Revaluation	-	-	-	86	-	86	-	86
Accumulated depreciation of disposals	1,342	10	-	-	-	1,352	-	1,352
Total	(662)	(20)	(437)	70	-	(1,049)	-	(1,049)
At fair value 30 June 2019	20,579	1,587	3,991	1,686	846	28,689	286	28,975
Accumulated depreciation at 30 June 2019	(12,183)	(977)	(2,987)	(940)	-	(17,087)	-	(17,087)
Fair Value/Written Down Value 30 June 2019	8,396	610	1,004	746	846	11,602	286	11,888

Notes to the Financial Report
For the Year Ended 30 June 2019

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

(c) Infrastructure

Council/Consolidated

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste Management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	419,324	89,290	23,870	52,365	40,478	17,663	7,671	3,797	3,501	-	3,586	661,545
Accumulated depreciation at 1 July 2018	(139,345)	(22,793)	(8,448)	(15,416)	(21,404)	(16,154)	(6,041)	(3,225)	(969)	-	-	(233,795)
Fair Value 30 June 2018	279,979	66,497	15,422	36,949	19,074	1,509	1,630	572	2,532	-	3,586	427,750
Movements in fair value												
Additions	5,335	317	623	936	772	231	177	-	-	-	18,334	26,725
Contributions	610	-	60	505	-	-	-	-	-	-	-	1,175
Revaluation	-	-	-	-	-	-	-	2,932	-	-	-	2,932
Disposal	(497)	-	(13)	(110)	-	-	-	-	-	-	-	(620)
Write-off	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from WIP	271	208	-	213	1,023	-	-	-	-	-	(1,715)	-
Found Assets	-	-	165	-	-	-	-	-	-	-	-	165
Total	5,719	525	835	1,544	1,795	231	177	2,932	-	-	16,619	30,377
Movements in accumulated depreciation												
Depreciation and amortisation	(9,300)	(1,004)	(709)	(724)	(668)	(213)	(287)	(95)	(44)	-	-	(13,044)
Revaluation	-	-	-	-	-	-	-	2,368	-	-	-	2,368
Accumulated depreciation of disposals	267	-	6	37	-	-	-	-	-	-	-	310
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Total	(9,033)	(1,004)	(703)	(687)	(668)	(213)	(287)	2,273	(44)	-	-	(10,366)
At fair value 30 June 2019	425,043	89,815	24,705	53,909	42,273	17,894	7,848	6,729	3,501	-	20,205	691,922
Accumulated depreciation at 30 June 2019	(148,378)	(23,797)	(9,151)	(16,103)	(22,072)	(16,367)	(6,328)	(952)	(1,013)	-	-	(244,161)
Fair Value/Written Down Value 30 June 2019	276,665	66,018	15,554	37,806	20,201	1,527	1,520	5,777	2,488	-	20,205	447,761

Notes to the Financial Report
For the Year Ended 30 June 2019

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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 previously and are consistent with the prior year unless otherwise stated.

Notes to the Financial Report
For the Year Ended 30 June 2019

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land (excluding land under roads) and buildings was undertaken in 2017 by a qualified independent valuer - Valpac Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets. The date of the current valuation is detailed in the following table.

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

Council	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Non-specialised land	-	3,710	26,743	Jun-17
Specialised land	-	-	23,884	Jun-17
Land Improvements	-	-	8,226	Jun-17
Total land	-	3,710	58,853	
Heritage Buildings	-	-	396	Jun-17
Non-specialised buildings	-	-	32,873	Jun-17
Total buildings	-	-	33,269	

Notes to the Financial Report For the Year Ended 30 June 2019

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

Valuation of infrastructure

Valuation of infrastructure assets Roads, Bridges, Drainage, Footpaths and Cycleways was undertaken in 2018. The values were determined in accordance with a valuation undertaken by Nicole O'Keefe - Asset Engineer. The valuation was performed based on the depreciated replacement cost of the assets.

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

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

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

Council	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	276,665	May-18
Bridges	-	-	66,018	May-18
Footpaths and cycleways	-	-	15,554	May-18
Drainage	-	-	37,806	May-18
Recreational, leisure and community facilities	-	-	20,201	Jun-17
Waste management	-	-	1,527	Jun-17
Parks, open space and streetscapes	-	-	1,520	Jun-17
Aerodromes	-	-	5,777	Jun-19
Off street carparks	-	-	2,488	Jun-17
Total Infrastructure	-	-	427,556	

Description of significant unobservable inputs into level 3 valuations

Non specialised land, specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$2 and \$210 per square metre.

Non specialised buildings and Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$75 to \$4,500 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land

	2019 \$'000	2018 \$'000
Land under roads	23,884	23,884
Total specialised land	23,884	23,884

Notes to the Financial Report
For the Year Ended 30 June 2019

6.3 Investments in associates and subsidiaries

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(a) Investments in associates				
Investments in associates accounted for by the equity method are:				
- High Country Library Corporation	-	-	-	-

High Country Library Corporation

Background

High Country Library Corporation was established on the 8th August, 1996. The Wangaratta Rural City Council's share of audited assets and liabilities committed to this Corporation was 43%. The High Country Library Corporation was voluntarily wound up and the assets and liabilities were distributed during the year ended 30 June 2018.

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Fair value of Council's investment in High Country Library Corporation	-	-	-	-
Council's share of accumulated surplus				
Council's share of accumulated surplus at start of year		161		161
Impairment losses recognised in operating result		7		7
Distributions received		(168)		(168)
Council's share of accumulated surplus at end of year	-	-	-	-
Council's share of reserves				
Council's share of reserves at start of year	-	8	-	8
Transfers (to) from reserves	-	(8)	-	(8)
Council's share of reserves at end of year	-	-	-	-
Movement in carrying value of specific investment				
Carrying value of investment at start of year	-	406	-	406
Share of impairment losses recognised in operating result	-	7	-	7
Share of asset revaluation	-	-	-	-
Distributions received	-	(413)	-	(413)
Carrying value of investment at end of year	-	-	-	-

Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2019, and their income and expenses for that part of the reporting period in which control existed.

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

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

Entities consolidated into Council include:
Wangaratta Livestock Exchange Pty Ltd

Committees of management

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

6.3 Investments in associates and subsidiaries (cont'd)

(b) 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 Wangaratta Rural City Council and the WLE. WLE operates the Saleyards as a going concern for the purpose of providing livestock auction facilities and related services.

Summarised financial information

Summarised statement of comprehensive income

Total income

Total expenses

Surplus/(deficit) for the year

Other comprehensive income

Total comprehensive result

Summarised balance sheet

Current assets

Non-current assets

Total assets

Current liabilities

Non-current liabilities

Total liabilities

Net Assets

Summarised statement of cash flows

Net cash provided by / (used in) operating activities

Net cash provided by / (used in) investing activities

Net cash provided by / (used in) financing activities

Net increase / (decrease) in cash and cash equivalents

	2019	2018
	\$'000	\$'000
Total income	573	-
Total expenses	370	-
Surplus/(deficit) for the year	203	-
Other comprehensive income	-	-
Total comprehensive result	203	-
Current assets	361	-
Non-current assets	54	-
Total assets	415	-
Current liabilities	59	-
Non-current liabilities	-	-
Total liabilities	59	-
Net Assets	356	-
Net cash provided by / (used in) operating activities	232	-
Net cash provided by / (used in) investing activities	(18)	-
Net cash provided by / (used in) financing activities	110	-
Net increase / (decrease) in cash and cash equivalents	324	-

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Wangaratta Rural City Council is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors (including dates if not full year)

Name	Dates
Dean Rees (Mayor)	
Mark Currie (Deputy Mayor)	
Harvey Benton	
Harry Bussell	
Ken Clarke OAM	
Ashlee Fitzpatrick	
Dave Fuller	

Chief Executive Officer and other Key Management Personnel

Position	Name
Chief Executive Officer	Brendan McGrath
Director - Infrastructure	Alan Clark
Director - Community Wellbeing	Jaime Chubb
Director - Corporate Services	Sarah Brindley - commenced 12/09/18
Director - Corporate Services	Ruth Kneebone - 01/07/18 - 21/12/18
Director - Development Services	Barry Green - 01/07/18 - 19/10/18
Director - Development Services	Stephen Swart - commenced 15/10/18
Acting Director - Corporate Services	Christopher Gillard - 01/07/18 - 07/09/18
Acting Director - Infrastructure	Christopher Gillard - 10/09/18 - 15/10/18

	2019	2018
Total Number of Councillors	7	8
Total of Chief Executive Officer and other Key Management Personnel	8	5
Total Number of Key Management Personnel	15	13

Notes to the Financial Report
For the Year Ended 30 June 2019

7.1 Council and key management remuneration (cont'd)

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2019	2018
	\$'000	\$'000
Short-term benefits	1,188	1,165
Post-employment benefits	203	219
Long-term benefits	89	-
Termination benefits	120	-
Total	1,600	1,384

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

	2019	2018
\$1 - \$9,999	-	1
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	3	3
\$30,000 - \$39,999	2	2
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	-
\$70,000 - \$79,999	2	-
\$80,000 - \$89,999	-	1
\$120,000 - \$129,999	1	-
\$130,000 - \$139,999	1	-
\$150,000 - \$159,999	1	-
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	-	2
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
\$280,000 - \$299,999	1	1
	15	13

Notes to the Financial Report
For the Year Ended 30 June 2019

7.1 Council and key management remuneration (cont'd)

(d) Senior Officer Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$148,000

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

Income Range:	Consolidated		Council	
	2019	2018	2019	2018
\$148,000 - \$149,999	-	1	-	1
\$150,000 - \$159,999	2	1	2	1
\$160,000 - \$169,999	-	1	-	1
	2	3	2	3
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included	302	657	302	657

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with

- Contributions paid to Tourism North East \$180,710 (2017/18 \$130,052).
- Contributions and fees paid to LG Pro \$2,535 (2017/18 \$4,450).
- Contributions and fees paid to Business Wangaratta \$4,400 (2017/18 \$540).
- Contributions paid to the Wangaratta Jazz Festival \$155,000 (2017/18 \$60,500).
- Contributions and fees paid to Alpine Shire \$387,773 (2017/18 \$353,367). A key management person has a family member in a key management position.

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.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Council does not have contingent assets to disclose at 30 June 2019 (2018 Nil).

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

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Not later than one year	313	456	313	456
Later than one year and not later than five years	661	1,528	661	1,528
Later than five years	503	672	503	672
	1,477	2,656	1,477	2,656

(b) Contingent liabilities

Superannuation

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

Future superannuation contributions

There were no contributions outstanding and no loans from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the defined Benefit category of Vision Super for the year ended 30 June 2020 are \$130,423

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.

Notes to the Financial Report
For the Year Ended 30 June 2019

8.1 Contingent assets and liabilities (cont'd)

(c) Guarantees for loans to other entities

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

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

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$300,000 in lease related assets and an equivalent liability.

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

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives is not expected to have a material impact.

Notes to the Financial Report
For the Year Ended 30 June 2019

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

(c) Credit risk

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

Notes to the Financial Report For the Year Ended 30 June 2019

8.3 Financial instruments (cont'd)

(d) Liquidity risk

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

To help reduce these risks Council:

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

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 + 1% and -1% in market interest rates (AUD) from year-end rates of 1.50%.

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.

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

8.4 Fair value measurement (cont'd)

Revaluation

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

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

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

Impairment of assets

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

8.5 Events occurring after balance date

No known events have occurred after balance date.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note

9 Other matters

9.1 Reserves

(9.1a) Asset revaluation reserve

Consolidated/Council	Balance at beginning of 2018 \$'000	Increment (Decrement) \$'000	Balance at end of 2018 \$'000	Increment (Decrement) \$'000	Balance at end of 2019 \$'000
Property					
Land & land improvements	24,936	-	24,936	-	24,936
Buildings	2,131	-	2,131	-	2,131
Plant & Equipment					
Library books	-	-	-	29	29
Art Collection	239	-	239	-	239
Infrastructure					
Roads	199,241	37,527	236,768	-	236,768
Bridges	53,872	1,313	55,185	-	55,185
Footpaths and cycleways	4,004	599	4,603	-	4,603
Drainage	18,308	6,481	24,789	-	24,789
Recreational, leisure and community facilities	125	-	125	-	125
Parks, open space and streetscapes	2,365	-	2,365	-	2,365
Aerodromes	-	-	-	5,300	5,300
Offstreet car parks	1,437	451	1,888	-	1,888
	306,658	46,371	353,029	5,329	358,358

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

Notes to the Financial Report
For the Year Ended 30 June 2019

9.1 Reserves (cont'd)

(b) Other reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
2019	\$'000	\$'000	\$'000	\$'000
Cemetery	61	26	(50)	37
Loans	839	-	-	839
Developers' contributions	100	-	(10)	90
Developers' contribution for recreation	16	126	(63)	79
CSNE integration	135	-	-	135
HACC	147	-	-	147
Industrial land	337	667	(1,609)	(605)
Performing arts centre	3	4	-	7
Replacement of plant	2,692	2,055	(1,298)	3,449
Replacement of plant - CSNE	4	-	-	4
Regional playground	1	-	-	1
Waste and Landfill	5,168	3,510	(2,015)	6,663
Livestock selling complex	90	-	-	90
Unfunded superannuation	544	66	-	610
Municipal Fire & Emergency Mgt Resourcing	163	-	(38)	125
North Wangaratta Recreation Reserve	977	-	(737)	240
Wangaratta Showgrounds	33	-	-	33
WISAC	150	23	(50)	123
Total Other reserves	11,460	6,477	(5,870)	12,067

The reserves for developer contributions will, upon completion of developments, be utilised to develop recreation and other facilities

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

Replacement of plant reserve is for purchase of plant and equipment per the plant replacement program.

Loans reserve is to cover the future principal repayments of interest only loan via the Local Government Funding Vehicle.

Unfunded superannuation reserve is for possible future defined benefit superannuation calls.

The Municipal Fire & Emergency Management Resourcing reserve is for ongoing fire and emergency management resourcing from State Government funding.

The reserve for the North Wangaratta Recreation Reserve is the unspent funds from \$2 million grant funding received to date from the federal government for remediation as a result of lead contamination.

Notes to the Financial Report
For the Year Ended 30 June 2019

9.1 Reserves (cont'd)

(b) Other reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
2018	\$'000	\$'000	\$'000	\$'000
Cemetery	17	44	-	61
Loans	839	-	-	839
Developers' contributions	243	-	(143)	100
Developers' contribution for recreation	158	-	(142)	16
CSNE integration	135	-	-	135
HACC	147	-	-	147
Industrial land	-	337	-	337
Performing arts centre	2	1	-	3
Replacement of plant	2,554	2,101	(1,963)	2,692
Replacement of plant - CSNE	4	-	-	4
Regional playground	1	-	-	1
Waste and Landfill	3,044	2,793	(669)	5,168
Livestock selling complex	-	90	-	90
Unfunded superannuation	478	66	-	544
Municipal Fire & Emergency Mgt Resourcing	147	16	-	163
North Wangaratta Recreation Reserve	-	977	-	977
Wangaratta Showgrounds	-	33	-	33
WISAC	106	44	-	150
Total Other reserves	7,875	6,502	(2,917)	11,460

The reserves for developer contributions will, upon completion of developments, be utilised to develop recreation and other facilities for residents in the respective development areas.

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

Replacement of plant reserve is for purchase of plant and equipment per the plant replacement program.

Loans reserve is to cover the future principal repayments of interest only loan via the Local Government Funding Vehicle.

Unfunded superannuation reserve is for possible future defined benefit superannuation calls.

The Municipal Fire & Emergency Management Resourcing reserve is for ongoing fire and emergency management resourcing from State Government funding.

The reserve for the North Wangaratta Recreation Reserve is the unspent funds from \$2 million grant funding received to date from the federal government for remediation as a result of lead contamination.

Notes to the Financial Report
For the Year Ended 30 June 2019

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Surplus/(deficit) for the year	3,621	9,781	3,418	9,781
Depreciation and amortisation	17,104	12,944	17,098	12,944
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(56)	(445)	(56)	(445)
Finance costs	371	427	371	427
Fair value decreases - Rehabilitation provisions	-	2	-	2
Contributions - Non-monetary assets	(1,175)	(2,561)	(1,175)	(2,561)
Found Assets	(165)	-	(165)	-
Share of High Country Library Corporation (surplus)/deficit	-	(7)	-	(7)
Bad Debts	28	8	28	8
Assets written-off / impaired	-	1,097	-	1,097
Change in assets and liabilities				
(Increase)/decrease in trade and other receivables	(3,054)	(364)	(3,018)	(364)
(Increase)/decrease in prepayments	(239)	(123)	(239)	(123)
Increase/(decrease) in trade and other payables	3,807	504	3,761	504
(Decrease)/increase in other liabilities	251	216	251	216
(Increase)/decrease in inventories	1	-	1	-
Increase/(decrease) in provisions	1,361	814	1,348	814
(Increase)/decrease in intangible asset	-	(996)	-	(996)
Net cash provided by/(used in) operating activities	21,855	21,297	21,623	21,297

Notes to the Financial Report For the Year Ended 30 June 2019

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 categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. 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. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018).

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

Funding Arrangements

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

As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

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

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

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

Employer Contributions

Regular Contributions

On the basis of the results of the 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the SG contribution rate.

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

Notes to the Financial Report For the Year Ended 30 June 2019

9.3 Superannuation (cont'd)

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.

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

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

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

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

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

The 2018 interim actuarial investigation surplus amounts

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

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018.

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

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

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

The 2019 interim actuarial investigation

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

Certification of the Consolidated Financial Statements

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



Anthony Smith B. Bus (Admin), Graduate Diploma Accounting, Associate
Principal Accounting Officer

Date : 25 September 2019
Wangaratta

In our opinion the accompanying consolidated financial statements present fairly the financial transactions of Wangaratta Rural City Council and its controlled entity for the year ended 30 June 2019 and the financial position of the Council and its controlled entity as at that date.

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



Dean Rees
Mayor

Date : 25 September 2019
Wangaratta



Mark Currie
Councillor

Date : 25 September 2019
Wangaratta



Jaime Chubb
Acting - Chief Executive Officer

Date : 25 September 2019
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 2019 • consolidated entity and council comprehensive income statement for the year then ended • consolidated entity and council statement of changes in equity for the year then ended • consolidated entity and council statement of cash flows for the year then ended • consolidated entity and council statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the consolidated financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the council as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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
30 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

