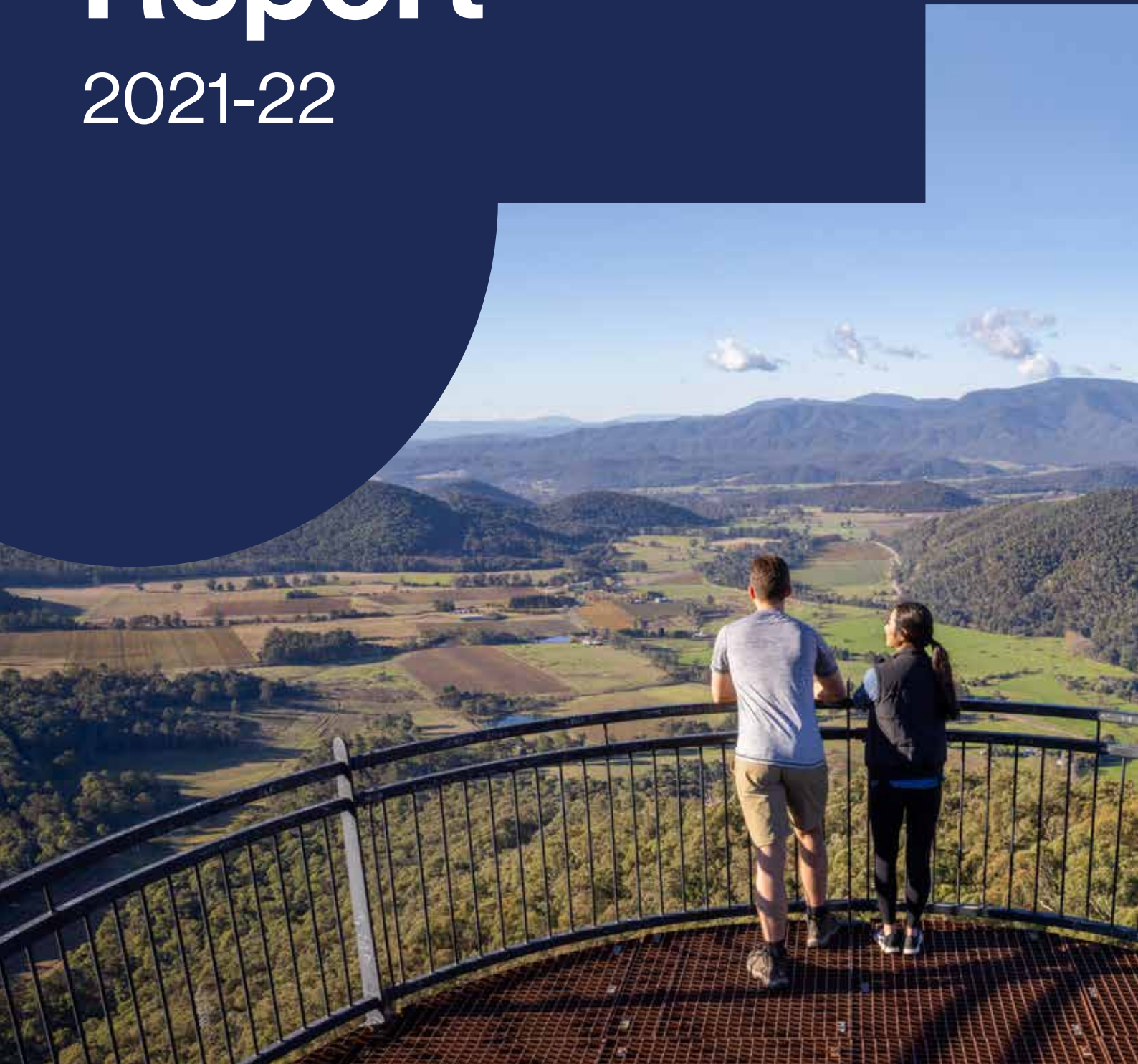




Rural City of
Wangaratta

Annual Report

2021-22





Welcome

We are pleased to present the 2021-2022 Annual Report for the Rural City of Wangaratta.

The *Local Government Act 2020* (Vic) and *Local Government (Planning and Reporting) Regulations 2020* (Vic) require Victorian councils to prepare an annual report in respect to each financial year. Our Annual Report outlines our performance against the objectives and goals contained within our Council Plan 2021-2025 and provides an overview of our operational and financial performance for the 2021-2022 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.

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Wangaratta Government Centre

62-68 Ovens St
Wangaratta VIC 3677

PO Box 238
Wangaratta VIC 3676

P 03 5722 0888
F 03 5721 9526

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

Rural City of Wangaratta

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

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

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

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

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

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

Our Values

Leadership

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

Engagement

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

Respect

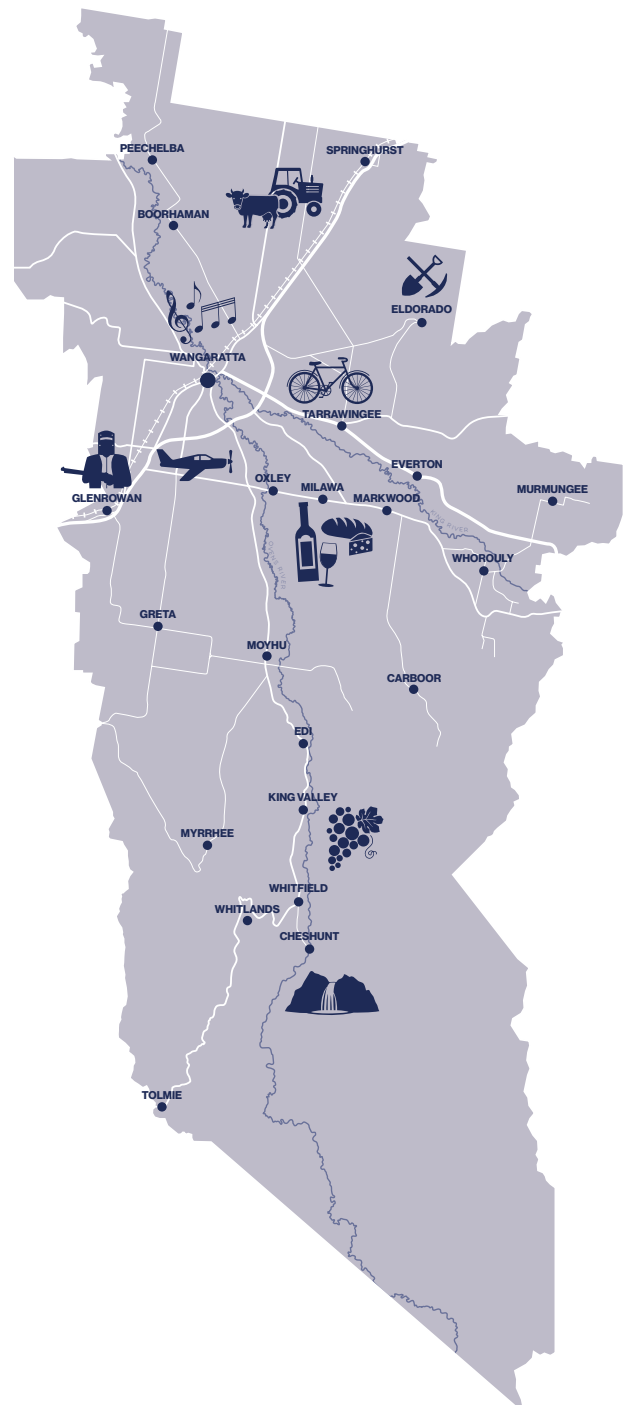
We will value the contribution and individuality of others. We aim to achieve an honest and healthy working relationship with all our citizens.

Progression

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

Our Vision

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



Rural City of Wangaratta Fast Facts

Current Population

29,808

Area

3,646.43 sq km

707.5km

sealed road

1,279.5km

unsealed road



277km

of walking/
cycling track

22.67k

tonnes of
waste is collected
kerbside annually



14.9°C

Average
temperature



605mm

Average
rainfall



6

fitness
equipment
stations



74

sporting fields,
including
21
playing fields



4

skateparks/
pump tracks



39

playgrounds

26

community
halls



1 in 5

people identify
as living with a
disability.



21

Primary
Schools (2 P-12)
and an additional

3

Secondary
Schools



9

pre-schools/
kindergartens



Mayor's message

It is incredibly humbling and fulfilling to be elected to Council by your community, to the position of Mayor by your fellow Councillors, and to be part of an organisation that works hard to promote the advancement of our community in every decision made and step taken.

Rural City of Wangaratta has continued to thrive in complex times thanks to the existing strengths of our municipality: our people, our businesses, and our natural resources. Council has supported the wellbeing and resilience of our diverse communities throughout the year through a variety of outreach programs ranging from the incredible Grit and Resilience Program that supports suicide prevention, to the implementation of Outdoor Eating and Entertainment spaces that provided businesses with much needed extra seating space. We have also continued to award grant funding to local community groups to assist them in growing their services and membership, providing valuable opportunities for social connection. I would like to acknowledge the work of all volunteers across the municipality – working with you is one of the highlights of my role.

On the capital works front, we intentionally trimmed back the budget last year following several years of significant capital investment. 2021/22 also saw the construction industry experience challenges in the availability of workers and materials. That being said, Council prioritised accordingly, and delivered \$20.8m of new, upgrade and renewal works.

A key achievement included the completion of the Regional Playspace and Parkour in Apex Park and it has been fantastic to see this space being enjoyed by so many of our young people. Other significant capital works included upgrading lighting at the North Wangaratta Reserve and new commercial hangars and taxiway upgrades for the Wangaratta Aerodrome.

The stewardship of Council to maintain our existing buildings and infrastructure for the use of future generations is also crucial. Annual works programs such as the gravel re-sheeting and road re-seal programs, plus renewal programs for footpaths, drainage, kerb and channel, and buildings were also completed as budgeted.

Environmental Sustainability and climate change preparedness is increasingly on the minds of the community. Council adopted a Climate Mitigation and Adaption Policy last year detailing the objectives, processes, and roles and responsibilities for employees and Councillors regarding climate change. We continued to implement actions in the Environmental Sustainability Strategy Action Plan and installed solar panels on the council depot roof. Council officers also undertook work to transfer Council's power supply to renewable energy sources and this will become a reality from July 2023.

Council's Advocacy Strategy paid dividends last year, with some really impactful projects securing significant grant funding enabling your hard-earned rate-payer dollars to go a lot further. In particular it has been exciting to see the development of both the Ned Kelly Glenrowan Heritage Project and the Prosecco Road Masterplan - receiving a combined \$6.7m in grant funding from the Victorian Government. These projects are testament to the everyday work of Council officers in reviewing and adopting masterplans and strategies, and of budgets being done with focus, interest, and rigour.

I thank my fellow Councillors for their time and support, particularly in their advocacy work. With my fellow Councillors, I also thank our community for their input into Council over the past year. The ideas and visions shared, as well as feedback and opinions, are important in guiding our municipality towards the best future we can have.

Thank you to Brendan McGrath Council CEO, the Management Team and Council Officers for your commitment and passion shown throughout the year across the range of Council services.

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

Cr Dean Rees
Mayor

CEO's message

Council has met the challenges of the past year head on. Our community and local economy have demonstrated real resilience, making a strong recovery as we have adjusted to living with Covid-19. This is evident in the rebound of our visitor economy, arts sector, business confidence and in Council's own delivery of projects.

The injection of funding Council received from state government in programs such as the Local Government Business Concierge and Hospitality Support Program and Covid Safe Outdoor Activation Funds has enabled Council to provide an increased level of business engagement and support when it was most needed.

We have been pleased to see the Performing Arts and Convention Centre and Art Gallery achieve visitation and ticket sales that exceed pre-pandemic levels. It has been rewarding to see the programming again being enjoyed by a wide spectrum of the community, also enabling the Rural City of Wangaratta to support future cultural economy offerings, in turn attracting more visitors, new residents, and improving the region's growth.

Community connection has remained at the forefront of our minds and our ongoing commitment to Council events and the development of recreation facilities have played critical roles in bolstering social connection and building resilience for our future generations. The incredible popularity of the recently completed Parkour and Regional Playspace at Apex Park is testament to this – as well as the terrific vision and hard work of Council project teams.

This financial year has seen the commencement of regionally significant projects within the Rural City of Wangaratta, such as the Ned Kelly Glenrowan Heritage Project and the Prosecco Road Masterplan in the King Valley, both of which have received substantial grant funding. We also completed design work for the expansion of the Wangaratta Sports & Aquatic Centre to upgrade the basketball courts and gym. We look forward to seeing these projects come to life and have a positive impact on our communities and townships in the coming year.

These projects, coupled with our increased focus on opportunities to secure a greater share of the regional tourism market, will continue to provide the municipality with benefits for many years. They are legacy projects that this Council is fortunate to be able to partner with the community, local business, and state and federal governments to make a reality.



Our recovery from Covid, and all these achievements are made possible because of the commitment and vision of our workforce. During the course last year, we changed the structure of the organisation to reduce from four Directorates to three. This has improved collaboration across the organisation whilst also unlocking operational efficiencies at the leadership level. Council is a significant employer in this region. This is a strength that deserves recognition. The dedication of the staff in our organisation feeds both ways; from our community to Council, and from Council back into our community.

I acknowledge also the commitment of our Mayor and Councillors and thank them for their leadership and support of our community.

This Annual Report presents a pleasing base from which we can continue to strive for a strong, inclusive, and prosperous future for Rural City of Wangaratta.

Brendan McGrath
Chief Executive Officer

Financial Summary

Council's financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this Report. Council manages over \$665 million dollars in assets comprising of land, building and other infrastructure assets such as roads, footpaths, bridges, drainage and bike paths.

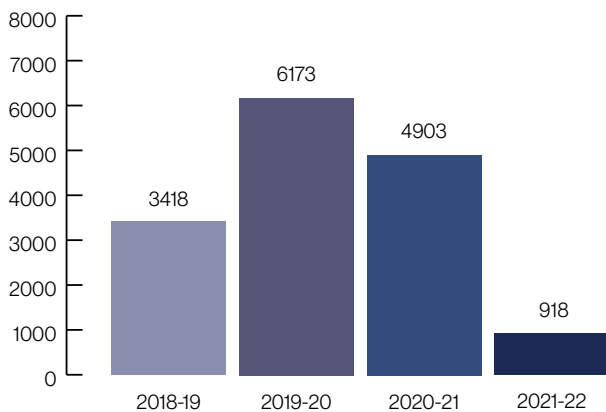
Operating Position

Council achieved a surplus of \$0.92 million in 2021/22. The adjusted underlying deficit of Council, after removing non-recurrent capital grants, monetary and non-monetary capital contributions is \$9.09 million.

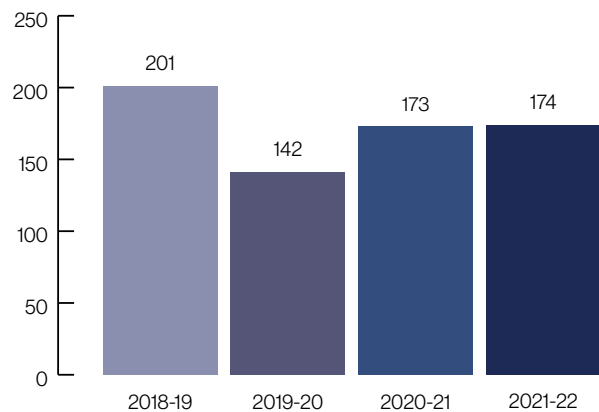
Liquidity

Cash has decreased by 43 percent from the prior year. Other financial assets have increased by 182 percent as cash is invested on a longer-term basis as it relates to capital works projects carried over from 2021/22. The working capital ratio, which assesses Council's ability to meet current commitments, is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 174 percent is an indicator of satisfactory financial position and is in line with Council's target of greater than 100%.

Surplus/(Deficit) \$'000



Working Capital Ratio (%)



Obligations

Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community.

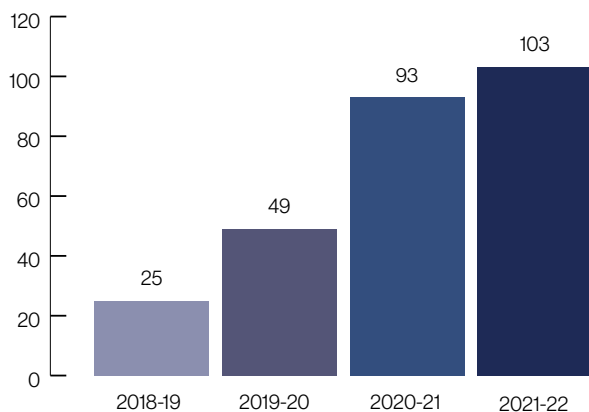
At the end of the 2021/2022 financial year, Council's Debt Ratio level, which is measured by comparing non-current liabilities to own sourced revenue was 103 percent. While this is within VAGO's high risk profile for indebtedness, Council's debt ratio is projected to improve from 2021/2022 onwards as outlined in the Adopted Budget. Council's debt ratio will return to within the expected range on payment of a material interest only loan that matures in 2024/2025.

Council's asset renewal ratio, which is measured by comparing asset renewal and upgrade expenditure to depreciation, was 70 percent, which is below the expected target band of 80-110 per cent. This renewal gap ratio is projected to improve as per the 2022/23 Adopted Budget

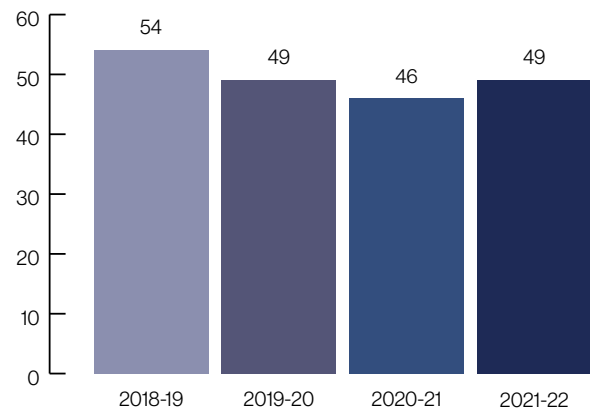
Stability And Efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Despite this, Council's rate concentration, which compares rate revenue to adjusted underlying revenue, was 49 percent for the 2021/2022 year, which is within the expected target band of 40-80 percent. This has increased compared to the 2021/2022 result (46 percent) due to the less capital grants received by Council this financial year. The average rate per property assessment was \$1,826.31.

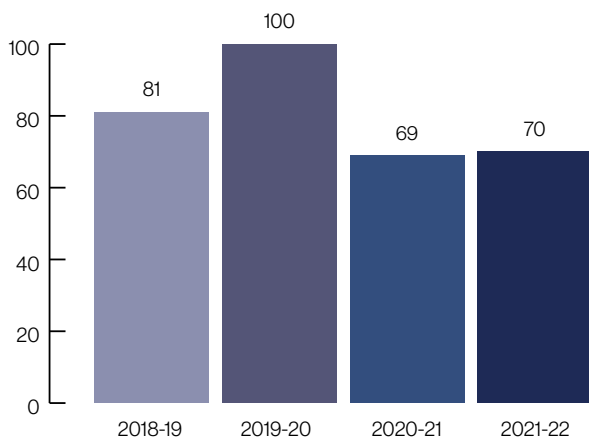
Debt Ratio (%)



Rate Concentration (%)



Asset Renewal Ratio (%)



Financial Summary

Economic Factors

Rate Capping

The Victorian Government imposed a rate cap on all Victorian councils of 1.5 percent for the 2021/2022 year. Council did not seek a variation to the rate cap.

Labour Cost

Salary and Wage rate increases for the 2021/2022 year were as per Council Enterprise Bargaining Agreement of 1.5 per cent.

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

On 7 March 2022, in accordance with section 23A of the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic) (VIRTIPS Act), the Tribunal made their Determination on the Allowance payable to Mayors, Deputy Mayors and Councillors. The Determination took effect from 18 December 2021 and indicates the slight discrepancy between the Councillor allowances at the end of 2021/22 and the actual allowance received in the financial year.

At the end of 2021/2022, the Mayoral allowance was \$96,470 per annum, the Deputy Mayoral allowance was \$48,235 and the Councillor allowance was \$30,024 per annum (plus an amount equivalent to the superannuation guarantee of 10 per cent).

The table below contains a summary of the total allowance, including the amount equivalent to the superannuation guarantee of 10%, paid to Councillors during the financial year.

Councillor	Allowance (\$)
Cr Ashlee Fitzpatrick	29,630
Cr David Fuller	29,630
Cr Dean Rees (Mayor)	95,066
Cr Harry Bussel	40,905
Cr Harvey Benton	29,630
Cr Irene Grant	29,630
Cr Jack Herry	29,630
Total	284,122

Councillor Expenses

In accordance with section 40 of the Local Government Act 2020, Council is required to reimburse a Councillor for expenses incurred in the performance of their duties as a Councillor.

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

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

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

Expenses	Cr Ashlee Fitzpatrick	Cr David Fuller	Cr Dean Rees	Cr Harry Bussell	Cr Harvey Benton	Cr Irene Grant	Cr Jack Herry	Total
Childcare and Carer Expenses	0	0	0	0	0	0	0	0
Conference and Training Expenses	92	45	757	256	0	0	126	1,276
Information & Communication Technology Expenses	216	216	216	216	216	216	216	1512
Travel Expenses	0	0	356	62	0	0	0	418
Car Mileage Expenses	0	53	17,599	8,858	722	357	85	27,674
Total	308	314	18,928	9,392	938	573	427	30,880

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

Description of Operations

The Rural City of Wangaratta is responsible for a wide range of services, from family, children's and aged care services, traffic regulation, open spaces, youth facilities, waste management, community buildings, business development, town planning and the Wangaratta Sports and Aquatic Centre (WSAC). This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan 2021-2025 and the associated Budget 2021-22 and are reported upon in this document. Refer to the section on Our Performance for more information about council services.

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

Economic factors

Council was faced with financial challenges associated with the continued impacts of the Covid-19 pandemic and the restrictions imposed during this pandemic.

Major capital works

During 2021-22 the major capital works included the following:

Prosecco Road Revitalisation Project

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

The funding will be utilised on projects that include:

- Whitfield and Cheshunt Streetscape Upgrades – Implementation of key infrastructure initiatives to provide a safer and enhanced visitor experience in two of Prosecco Road's key townships – Whitfield and Cheshunt.
- Shared pathway between from Edi – Cheshunt – Chrismont Winery; these corridors will provide a safe and engaging environment for cyclists and pedestrians alike to move amongst tourism experiences.

- Whitfield Playspace - delivery of an innovative and engaging all abilities playground for tourists and community, and a visitor hub including toilets, tourist information and barbeque facilities.
- Gateway Entrance Artwork – to provide a sense of arrival to the King Valley.

Extensive planning, design and community consultation has been undertaken. Project will be completed in June 2023.

Glenrowan Interpretive Centre

The Glenrowan Interpretive Project claims to develop an immersive and contemporary tourism product - developing dynamic interpretive experiences, creating new assets and using technology to bring the town's infamous Australian bushranger history and its characters to life. A contemporary, architecturally designed viewing platform, visitor information and amenities centre will be developed in the centre of town, on a site that looks out over key locations of Glenrowan's history and the Kelly Gang siege story. These locations will be enhanced with interactive maps and audio that bring the story to life for visitors to the centre. The actual siege site and other areas of significance will also be activated for visitor attraction, through landscaping and new augmented reality that will allow visitors to immerse themselves in the stories whilst walking the precinct via their mobile devices. The project will bring to life the town's history and tell the stories of not only the Kelly Gang but also the hostages, the police and indigenous trackers who were involved in the siege at Glenrowan.

Construction of the Interpretive Centre Commenced in January 2022 and is expected to take 12 months.

WSAC Expansion Project

Planning for the expansion of the Wangaratta Sports and Aquatic Centre entailing redevelopment and expansion of the Indoor Stadium. This project includes providing two new courts, upgrading the show court to a competition level multi-purpose court with additional seating, plus a significant expansion of the gym to almost double its current size.

The outcomes of this project are:

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

Planning for the construction of the \$11.6 million expansion started in 2021/22 and is expected to be completed in November 2023.

Major changes

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

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

During 2021-22 Council also undertook a review of its Advisory Committees at the request of Councillors and the CEO. The review highlighted opportunities to improve the model that Council uses to seek advice from subject matter experts and key stakeholders within the community. As a result, an alternate model has been put forward for community consultation which proposes a new Community Reference Group approach.

The new model would enable a more efficient, timely and meaningful dialogue and engagement process whilst also ensuring appropriate governance, and that the purpose and scope of future Community Reference Groups is clear. The new model is to be presented to Council for adoption early in the 2022-23 financial year.

Major achievements

Council completed its implementation of the core *Local Government Act 2020* deliverables. This included adopting:

1. The 10 Year Financial Plan 2021-31. This is a long-term plan to finance projects, initiatives and programs that our community thinks are the most important to the Rural City of Wangaratta. It funds delivery of the priorities and actions identified in the Community Vision 2033 and Council Plan 2021-25 which were developed in collaboration with the community. It also ensures ongoing sustainable funding is in place for essential services that Council provides on a daily basis, such as roads maintenance, waste and Children's and Aged Care services.
2. The Workforce Plan. This is a four-year plan which addresses the human resources requirements to achieve the activities identified in council's delivery program.
3. The Asset Plan 2022-32 which details how the assets within the municipality, for which Council is the trusted custodian, will be managed. The document improves transparency regarding Council asset value and performance of asset management over the long term, also informing the community of Council's obligations and responsibilities as custodian of the public assets managed on their behalf.

In addition to the above, council also adopted a Climate Mitigation and Adaption Policy (CMAP). This policy details the objectives, processes and roles and responsibilities for Council employees and Councillors regarding climate change.

Council offices

Wangaratta office

62-68 Ovens Street

Wangaratta 3677

Telephone: P: 03 5722 0888

Email: council@wangaratta.vic.gov.au

Website: www.wangaratta.vic.gov.au

Our Councillors

The council was elected to provide leadership for the good governance of the municipal district and the local community. In 2020, the Rural City of Wangaratta community elected this council for a four year term. The municipality is divided into 4 wards; the City, North, South and Warby Wards. The City Ward is represented by four councillors and the North, South and Warby Wards by one councillor each. The seven councillors are the elected representatives of all residents and ratepayers across the City. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. The councillors are listed below. Councillor Dean Rees was re-elected Mayor on 23 November 2021, with Councillor Harry Bussell elected as Deputy Mayor.



Mayor
Cr Dean Rees
Elected 27 October 2020
City Ward

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



Cr Harry Bussell
Elected 27 October 2020
South Ward

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



Cr Dave Fuller
Elected 27 October 2020
City Ward

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



Cr Ashlee Fitzpatrick
Elected 27 October 2020
City Ward

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



Cr Harvey Benton
Elected 27 October 2020
North Ward

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



Cr Jack Herry
Elected 27 October 2020
City Ward

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



Cr Irene Grant
Elected 27 October 2020
Warby Ward

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

Our People

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the council plan. Three Directors and the CEO form the Corporate Management Team (CMT) and lead the organisation.

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

Note – the below structure was consulted on and trialled during 2021/2022 and was confirmed from 1 July 2022.



Brendan McGrath
Chief Executive Officer

Areas of responsibility

- Corporate Management Team



Marcus Goonan
Director - Community and Infrastructure

Areas of responsibility

- Infrastructure Planning and Delivery
- Field Services
- Waste
- Community Services



Stephen Swart
Director - Sustainability and Culture

Areas of responsibility

- Economic Development, Environment and Compliance
- Planning and Building
- Marketing and Communication
- Arts, Culture and Events



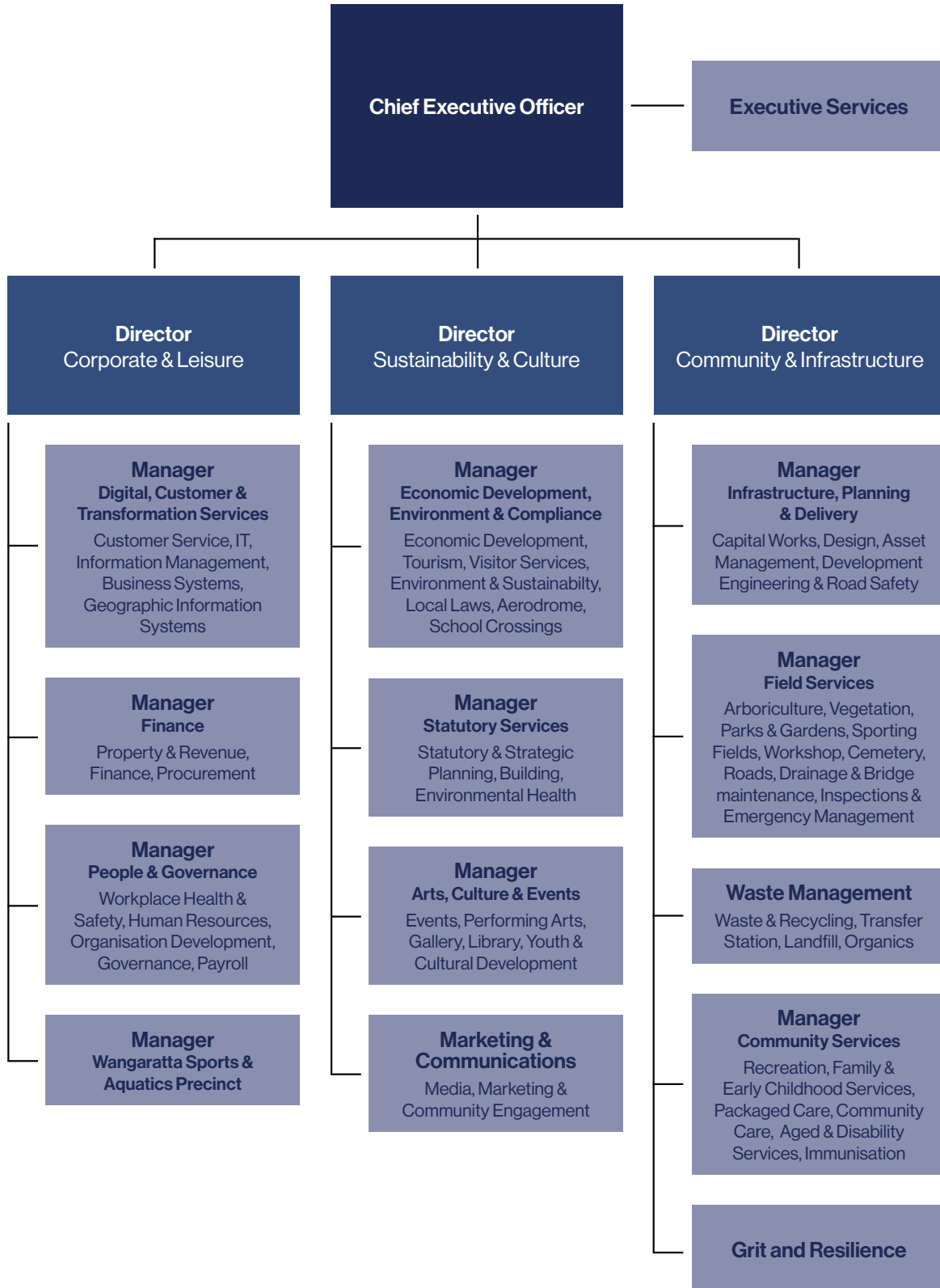
Sarah Brindley
Director - Corporate and Leisure

Areas of responsibility

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

Organisational Structure

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



Council Staff

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

Employee Type / Gender	CEO	Sustainability and Culture	Infrastructure and Community	Corporate and Leisure	Grand Total
Female					
Casual	0	0	0	2.98	2.98
Full Time	1	39.36	88.67	37.02	166.05
Part Time	0	1.23	2.08	3.45	6.76
Male					
Casual	0	0	0	3.16	3.16
Full Time	1	17.76	110.82	17.12	146.70
Part Time	0	0.63	0	0.81	1.44
Other					
Casual	0	0	0	0	0
Full Time	0	0	0	0	0
Part Time	0	0	0	0	0
Grand Total	2	58.98	201.57	64.54	327.09

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

Employment Classification	Female	Male	Self-described gender	Total
Band 3	29.81	44.85	0	74.66
Band 4	35.61	31.22	0	66.83
Band 5	32.12	19.23	0	51.35
Band 6	25.46	13.63	0	39.09
Band 7	18.11	15.63	0	33.74
Band 8	7.97	12.24	0	20.21
Not Applicable	26.71	14.5	0	41.21
Total	175.79	151.3	0	327.09

Other Staff Matters

Our staff and volunteers are Council's most valuable assets and the strength behind Council's success. We are proud of the commitment and dedication they have shown to the community and each other, particularly given the ongoing Covid-related challenges that 2021-22 presented.

Planning for our future

Council's new Workforce Plan was developed in consultation with staff and covers the period 2022 – 2025. The plan focuses on our current and future workforce needs to ensure we have the right people in the right roles at the right time to deliver services for our community. As required under section 46 of the *Local Government Act 2020*, the Plan:

- Describes the organisation structure of the Council; and,
- Specifies the projected staffing requirements for a period of at least 4 years; and,
- Sets out measures to seek to ensure gender equality, diversity and inclusiveness.

Gender Equity

During the year, the Rural City of Wangaratta Gender Equality Action Plan (GEAP) was also developed. This plan incorporates the analysis of a workplace gender audit and consultation with Council employees, Councillors and employee representatives.

Through the Gender Equality Action Plan, the Rural City of Wangaratta is making a commitment to creating an inclusive and supportive workplace. The Rural City of Wangaratta recognises that addressing gender inequity is crucial to achieve improved organisational performance, better health and social wellbeing and the prevention of violence against women.

The GEAP provides the current state of gender equality and identifies areas for focus over the period 2022 - 2025. As one of the largest employers in Wangaratta, we will take a leading role in improving gender equality in our workplace while fostering a culture of safety, honesty and inclusion.

Professional development

Council continued to develop the skills of our employees to meet the changing needs of the organisation and our community. As always compliance training and maintaining annual licenses and qualifications continue to be Council's highest priority. We have supported staff across the year to participate in the Alpine Valleys Community Leadership Program and the Women in Leadership program offered by a program for Emerging Leaders delivered by Local Government Professionals.

Health and safety

Rural City of Wangaratta strives to maintain a safe workplace that protects all employees, volunteers, contractors, councillors and the public from harm. Council offers a free employee assistance program providing free counselling and support services to staff (and their families where appropriate). The last year saw the continued focus on our Covid response and Covid Safe Plans in ensuring that we were compliant with State Government Health directives and that our staff were safe and supported.

Our Committees

Audit and Risk Committee

Council established an *Audit and Risk Committee under section 53 of the Local Government Act 2020* (Vic). This Committee supports Council by monitoring, reviewing, endorsing and advising on financial and performance reporting, risk management, fraud prevention, internal controls and assurance activities. The Committee meets quarterly under the terms of its Charter, and once every September to consider the Council's annual performance and financial statements and governance and management checklists, both requirements of the *Local Government (Planning and Reporting) Regulations 2020* (Vic).

Advisory Committee

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

The Advisory Committees for the Rural City of Wangaratta are:

- 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

A review has been undertaken of the structure of Council's Advisory Committees with recommendations to be adopted in 2022/23.

Community Asset Committees

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

These fourteen committees are convened to manage a community asset within the municipal district.

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

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

Report of Operations



Welcome to the Report of Operations 2021-22

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2021-22 is the primary means of advising the Rural City of Wangaratta community about Council's operations and performance during the financial year.

Council Plan 2021-25

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

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

Roads, waste collection and legislation are a key foundation for us - but we also do more. Whilst we work closely with other levels of government, we are much more than an advocacy group. It is our job to understand the needs and priorities of our community and we focus on achieving them today, and for our future. The strategic priorities are our high-level focus areas and have been shaped by our Community Vision.

Report Structure

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

Strategic Priorities

The Strategic Priorities are:

1. Leadership
2. Wellbeing
3. Environment
4. Economy
5. Lifestyle
6. Growth

Our strategic priorities and strategies to further improve services and facilities are described in the Council Plan 2021-25 and Annual Budget 2021-22 against these 6 Strategic Priorities.

Strategic Indicators

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

Major Initiatives

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

Services

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

Service Performance Indicators

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

Challenges and Future Outlook

Challenges

- Working with partners to facilitate planning and construction of core infrastructure in readiness of urban growth area development
- Managing front line service capacity and strain on the workforce due to the ongoing impacts of Covid and influenza.
- Significant increase in construction costs and poor contractor availability
- Maintaining council's assets and infrastructure to ensure they are safe and continue to meet the needs of the community
- Continuing preparedness for the impacts of climate change and future emergency events
- Ensuring the long-term financial sustainability of council whilst absorbing the remaining impacts of Covid on select council services
- Attracting and retaining an active workforce, both within Council and across the municipality
- Implementation of the Aged Care Reform
- Implementation of the Circular Economy (Waste Reduction and Recycling) Act 2021

The future

- Continue to offer first class community services such as home and child care
- Maintain Council's Advocacy Strategy to maximise opportunities for funding, program support and future development
- Ongoing implementation of the Marketing & Branding Strategy
- Review the Economic Development and Tourism Strategy
- Complete the Ned Kelly Glenrowan Heritage Project, Wangaratta Showgrounds Emergency Relief Centre Improvements, WSAC Expansion and implementation of the King Valley Prosecco Road Masterplan
- Implement the Environmental Sustainability Strategy Action Plan
- Continue to review services to improve operational efficiency and pursue opportunities to improve Council's overall financial sustainability
- Focus on living up to Our Community Promise and to improving customer service across the organisation.
- Continue to implement the Gender Equity Action Plan
- Implement key asset and infrastructure improvement and maintenance programs such as Township Infrastructure Planning, and delivery of core annual maintenance programs

Council Plan

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

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

Performance

Council's performance for the 2021-22 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2021-25 Council Plan. Performance has been measured as follows:

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



1. Strengthening our Leadership

Strategic Indicators

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

Strategic indicator or measure	Target	Result
Council performance on informing the community – Community Satisfaction Survey	63%	60%
Council performance on community consultation and engagement – Community Satisfaction Survey	60%	57%
Council performance on Customer Service – Community Satisfaction Survey	72%	68%
Council performance on making decisions in the interest of the community – Community Satisfaction Survey	58%	56%
Council decisions made at meetings closed to the public	4.0%	1.5%
Council performance on lobbying on behalf of the community (Community Satisfaction Survey)	59%	56%
Maintain Liquidity Ratio (Current Assets/Current Liabilities)	greater than 100%	174%
Average number of days to close customer action requests	Less than 14	7.63

Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2021-22 budget for the year.

Major Initiative	Status	Comment
Delivery of the Customer Experience Strategy	Commenced	Organisational training has been delivered. Customer Experience improvements scoped for delivery in FY22/23 including new Customer Request Management System, integration with Snap Send Solve and new Events management system.
Implementation of the Local Government Act 2020, including the Workforce Plan and Financial Plan	Completed	Workforce Plan, Financial Plan and Asset Management Plan all adopted and in place.
Implementation of the Gender Equity Act 2020, including Gender Impact Assessment and Gender Equality Action Plans	Commenced	Gender Equality action plan developed and approved, Gender Impact Assessment templates developed and training underway.
Implementation of the ICT Strategy	Ongoing	Key projects delivered include: Data centre upgrade, ICT Asset renewal program, Office365 rollout and completion of stage 1 of Core Enterprise system upgrade.

Major Initiative	Status	Comment
Ongoing delivery of the Financial Sustainability Program	Ongoing	Focus areas for 21/22 have included Children's Services, Field Services and the Wangaratta Sports and Aquatic Centre.

Services

Services	Description	Net Cost \$000 Budget \$000 Variance \$000
Chief Executive and Support Staff	This area of governance includes the Chief Executive Officer and associated support.	(621) (437) 184
Corporate Services Management and Governance	Provides strategic advice, governance, and oversees our financial sustainability.	(712) (777) (65)
Council	This service includes the Mayor and Councillors, support personnel and associated costs.	(327) (335) (8)
Customer Service and Information Management	Provides services to the community to facilitate the processing of enquiries, payments and bookings. Information Management delivers records management enabling us to deliver services in a smart, productive and efficient way.	(658) (583) 75
Finance	Provides financial services to both internal and external customers including the management of Council's finances, payment of suppliers, raising and collection of rates and charges and valuation of properties throughout the municipality.	(1187) 2018 831
IT Systems	Provides, supports and maintains reliable and cost effective information and computing systems, facilities and infrastructure.	(2217) (2276) (59)
Media and Communications	Provides information to the community on Council activities and achievements through a variety of media.	(243) (338) (95)
People and Governance	Designs and implements relevant frameworks to deliver people & culture, payroll, occupational health & safety, risk and governance services. Provides strategic and governance support to the organisation for business planning and reporting and strategic risk management.	(1578) (1669) (91)

Report of Operations

Service Performance Indicators

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Governance					
Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100	4.69%	3.48%	0.66%	1.50%	Only 2 confidential resolutions were made in the 2021/22 financial year, indicating our commitment to transparency
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	53.00	55.00	56.00	57.00	Steady improvement in this score reflects Council's commitment to proactive community consultation and also reflects deliberative engagement actions taken in line with new obligations under the Local Government Act 2020.
Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) x (Number of Councillors elected at the last Council general election)] x100	98.10%	97.96%	96.94%	98.90%	Only one Councillor was an apology at a Council meeting and this apology was accepted by the CEO and chairperson in accordance with Council's Governance Rules
Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$45,025.00	\$44,221.14	\$38,376.00	\$44,221.14	Follows introduction of Deputy Mayor allowance

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Governance					
<i>Satisfaction</i> Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51.00	52.00	56.00	56.00	This number indicates Council's commitment to transparency
<i>Satisfaction</i> Satisfaction with informing the community [Community satisfaction rating out of 100 with how Council has performed on informing the community]	57.00	60.00	61.00	60.00	Council has maintained a consistent rating of informing the community
<i>Communications & Customer Service</i> Average number of days to close a customer request [(Number of days to close a customer request / Number of customer requests) x 100]	13.00	5.00	5.00	7.63	Council has maintained a consistent rating of informing the community

2. Nurturing our Wellbeing



Strategic Indicators

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

Strategic indicator or measure	Target	Result
Council performance on recreation facilities	76%	73%
2% increase in WSAC visitation numbers	2%	11.08%
100% of domestic animals registered	100%	95.5%
100% of class 1 and class 2 food premises receiving an annual Food Safety Assessment	100%	100%
95% of children receiving immunisation in accordance with the Victorian Immunisation Schedule	95%	95%

Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2021-22 budget for the year.

Major Initiative	Status	Comment
Progression of the Grit and Resilience Program	Ongoing	Program Team appointed and has so far supported community members to establish four regular social groups, develop a Community Event Planning Guide, hold a Community Garden Open Day, deliver 13 free and inclusive art workshops and a gallery display of community created artworks, host a community outdoor movie night, and supported the re-formation of the Wangaratta Area Suicide Prevention network.
Design delivery of Wangaratta Parklands Precinct Masterplan to ensure grant readiness	Ongoing	Design complete for initial projects of the masterplan such as Rodeo grounds, Lions club and Magpies change rooms. Project bids to be developed for 22/23 financial year.
Delivery of the Public Health and Wellbeing Plan	Ongoing	Family violence prevention work underway, other actions of this plan are ongoing
Wangaratta Sports and Aquatic Centre in full operation	Ongoing	Following periods of closure due to COVID the Centre is again fully operational with Community Sport having recommenced and multiple competitions having been hosted including State swimming and Pickleball.
Implementation of the Walking & Cycling Strategy	Ongoing	Funding opportunities being pursued to enable future implementation.
Delivery of the Community Access and Inclusion Plan	Complete	Provision of Accessible Drumming workshops and regular meetings with All Abilities reference group which will continue in 22/23.
Delivery of community grants program	Ongoing	Community Grants program continues to attract significant interest. Full funding delivered in 21/22.
Development of the Municipal Early Years Plan	Commenced	Draft is being review in line with 3 and 4 year old kinder.
Development of Council's Age Friendly Strategy	On Hold	Delayed due to staffing levels, strategy to be reviewed in early 22/23 in conjunction with Upper Hume PCP Age Friendly strategy and the Public Health Wellbeing Plan using placescore data.

Report of Operations

Services

Services	Description	Net Cost \$000 Budget \$000 Variance \$000
Aged & Community Care	Provides a range of services for the aged and disabled including home delivered meals, personal care, transport, dementia care and home maintenance and packaged care.	274 (590) (864)
Cemetery	Operation of public cemetery facilities in Wangaratta.	15 64 49
Community Compliance	Provides staff at school crossings, animal management services and provides education, regulation and enforcement of Local Laws including parking and other compliance activities and manages the Aerodrome.	(512) (622) (110)
Community Wellbeing	Provides strategic community planning.	(1109) (984) 125
Environmental Health	Protects the community's health and well-being by coordinating food safety support and immunisation programs, septic tanks and Tobacco Act activities. The service also works to rectify any public health concerns.	(161) (137) 24
Family & Early Childhood Services	Provides family oriented support services including pre- schools, maternal and child health, child care and family day care.	814 311 (503)
Wangaratta Sports & Aquatic Centre	Provides sports, group fitness and aquatics facilities, programs and events for all the community.	(1254) (1920) (666)

Service Performance Indicators

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Aged & Community Care					
Number of Home Care clients [Total number of Home Care clients (annual)]	1327	759	878	968	No material variance in the 2021-22 Financial Year
Community Compliance					
Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	11.98	4.63	1.43	2.30	Increased due to complexity of cases and investigation times as a result of Covid but still below target of 5 days.
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100 Animals rehomed [Number of animals rehomed / Number of animals collected] x100	55.49%	55.38%	46.27%	41.16%	Fewer reclaimed animals due to higher collections of feral cats.
Service cost Cost of animal management service per population [Direct cost of the animal management service / Population] Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	\$16.26	\$16.83	\$15.72	\$15.00	Beneath target cost of \$18.00
	New in 2020	108.23%	94.11%	94.95%	No prosecutions in this period
	New in 2020	0.00%	0.00%	0.00%	

Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Environmental Health					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	7.14	4.50	2.28	2.39	
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	100.00%	101.52%	104.93%	100.00%	
Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$215.32	\$280.70	\$336.54	\$345.00	
Health & Safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	68.18%	78.57%	100.00%	75.00%	Fewer follow ups required
Participation Participation in immunisation programs [Number of children immunised in the year / Number of children enrolled in the Victorian Immunisation Schedule] x 100	95%	98%	98%	95%	

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Family and Early Childhood Services					
<i>Service standard</i>					
Infant enrolments in the MCH service <small>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</small>	101.40%	100.35%	99.67%	105.28%	
<i>Service cost</i>					
Cost of the MCH service <small>[Cost of the MCH service / Hours worked by MCH nurses]</small>	\$75.15	\$60.82	\$69.86	\$73.78	
<i>Participation</i>					
Participation in the MCH service <small>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</small>	73.97%	80.62%	84.74%	85.03%	
<i>Participation</i>					
Participation in the MCH service by Aboriginal children <small>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</small>	75.00%	85.05%	90.38%	83.33%	
<i>Satisfaction</i>					
Participation in 4-week Key Age and Stage visit <small>[Number of 4-week key age and stage visits / Number of birth notifications received] x100</small>	New in 2020	102.45%	98.01%	99.01%	

Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Aquatic Facilities					
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.50	0.00	1.00	1.00	No variance from the previous year, annual inspection took place
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.63	9.81	9.18	11.08	Higher than targeted utilisation of aquatic facilities due to the loosening of Covid restrictions
Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	\$1.47	\$5.55	\$10.72	Costs represent increased investment in the expanded Aquatics facilities (50m outdoor pool, warm water pool and splash pad) and associated increase in utilities. Also additional overheads following management transition from Third Party provider to Council. Visitation figures steadily increasing post COVID.

3. Valuing our Environment



Strategic Indicators

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

Strategic indicator or measure	Target	Result
Council performance on environmental sustainability – Community Satisfaction Survey	67%	64%
Number of native plants planted annually	7000	7602
Kerbside collection waste diverted from landfill	65%	63%
Percentage of waste going to landfill	5%	36%
Tonnes of compost produced from organic waste per year	10% of total tonnage converted	95%
Minimum of 50% of Council used electricity sourced from renewable sources by 2025	50%	20%

Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2021-22 budget for the year.

Major Initiative	Status	Comment
Environmental Sustainability Strategy 2020-25 Action Plan	Ongoing	Management plans were developed for Kaluna Park, Northern Beaches and Cambridge Drive. Over 7,000 trees were planted through the year. Several events were held such as the popular Spotlight Walk and Talk and other education programs.
Implementation of the Waste Management Strategy	On hold	Community consultation to take place during Financial Year 2022/23
Deliver our roadside weed management program	Ongoing	The annual weed program was delivered. The Council also received funding for the Combating Pest and Weeds which supported local farmers.
Expansion of the Organics Processing Facility maturation pad	Ongoing	Plant and infrastructure have been delivered. License amendment will be completed this year.

Report of Operations

Services

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

Services	Description	Net Cost \$000 Budget \$000 Variance \$000
Emergency Management & Response	Designs and implements the emergency management plans for Council and coordinates activities and provides support during emergency events.	(149) (171) (22)
Environmental Services	Develops environmental policy, coordinates and implements environmental projects to improve Council's environmental performance. Reducing greenhouse gas emissions within Council operations and the community are a key priority for Council.	(669) (1311) (642)
Waste	Provides kerbside collections of garbage, recyclables and organics. Operates Bowser landfill and organics processing plant.	(3084) (3442) (358)

Service performance indicators

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Waste Collection					
Satisfaction Kerbside bin collection requests faction <small>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000</small>	68.40	156.47	167.59	221.47	Post Covid increase in service requests
Service standard Kerbside collection bins missed <small>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</small>	4.11	6.92	4.75	7.07	System improvements have seen increased reporting
Service cost Cost of kerbside garbage bin collection service <small>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</small>	\$122.02	\$120.19	\$86.95	\$108.60	Increased costs in the Waste environment
Service cost Cost of kerbside recyclables collection service <small>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</small>	\$65.28	\$65.57	\$91.57	\$89.47	
Waste diversion Kerbside collection waste diverted from landfill <small>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</small>	60.10%	61.83%	60.45%	64.34%	

Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Environmental Services					
<i>Percentage change in Greenhouse gas emissions from council owned buildings, street lighting and fuel/vehicle use</i> [CO2 equivalent emissions per annum from Council operations based on a 2015-16 baseline]	3.73% decrease	15% decrease	17% decrease	2% decrease	
<i>Number of native plants planted in the municipality</i> [Number of native plants planted within the natural reserves and pathways in the municipality]	New Measure	6,839	6,500	7,602	
<i>Performance on environmental sustainability</i> [Community satisfaction (community satisfaction rating out of 100 with how Council has performed on environmental sustainability)]	61	62	64	64	

4. Expanding our Economy



Strategic Indicators

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

Strategic indicator or measure	Target	Result
Annual increase in the number of overnight stays on pre-COVID results	5%	0%
Annual increase on 20/21 Visit Wangaratta website visits	10%	7.5%
Annual increase on Rail Trail usage	5%	.04%
Wangaratta Livestock Exchange full year financial position	Surplus	Surplus
Council performance on business, community development and tourism - (Community Satisfaction Survey)	68%	65%

Report of Operations

Major initiatives

Major Initiative	Status	Comment
Implementation of the Economic Development and Tourism Strategy	Ongoing	Delivery of the strategy actions were undertaken with a heavy focus on supporting businesses through the pandemic. Projects included the delivery of the COVID Concierge and Outdoor Activation grant funded programs.
Completion of the Ned Kelly Glenrowan Project	Ongoing	Build of Ned Kelly Discovery Hub is well underway with the construction of a Contemporary Viewing Tower and immersive Siege Site Experience.
Commencement of the King Valley Prosecco Road Development Plan	Commenced	Township Visitor Experience streetscape improvements works have commenced on site at Whitfield. Cheshunt streetscape detailed design has commenced. Whitfield Adventure Playspace contract has been awarded and detailed design commenced. Gateway Entrance & Artwork at Whitfield & Oxley procurement has commenced.
Implementation of Visitor Service Review	Commenced	Delivery of the Visitors Services Strategy has commenced with the implementation of the Know Your Backyard campaign and rebranding of satellite stands across the municipality.
Participation in Tourism North East (TNE) programs	Ongoing	Tourism North East delivered a number of tourism programs and promotions from the Ride and Walk High Country marketing along with a number of industry workshops.
Attract new industries and businesses	Ongoing	The Invest website provides information for new businesses and industries. Wangaratta was represented at Australian Manufacturing Week in Sydney to promote Wangaratta as a great place to invest and work.
Support the Start Up Shake Up program	Completed	Start Up Shake Up delivered a number of innovative workshops for emerging industries. The organisation became incorporated and a board were elected to run as an independent organisation delivering innovation and start up ventures.

Services

Services	Description	Net Cost \$000 Budget \$000 Variance \$000
Economic Development & Tourism	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. Provides support to tourism operators.	(112) (681) (569)

Service Performance Indicators

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Economic Development and Tourism					
<i>Performance on business, community development and tourism</i> [Community satisfaction (community satisfaction rating out of 100 with how Council has performed on business, community development and tourism)]	58	61	65	65	Steady increase in community satisfaction on Council's performance on business, community development tourism
<i>Percentage increase in Visit Wangaratta website visits</i> [(Total number of hits to Visit Wangaratta website in the current year) - (Total Number of hits to the Visit Wangaratta website in the prior year)/100]	New Measure	10%	13%	7.5%	
<i>Percentage increase in Cycle Tourism along Rail Trail</i> [(Number of bicycles passing counters situated on Rail Trails in the current year) - (Number of bicycles passing counters situated on Rail Trails in the prior year) /100]	New measure	31%	-14.7%	0%	
Wangaratta Livestock Exchange					
<i>Service cost</i> Full year financial position [Operating surplus or deficit for Wangaratta Livestock Exchange]	Surplus	Surplus	Surplus	Surplus	

5. Enhancing our Lifestyle



Strategic Indicators

Strategic indicator or measure	Target	Result
Council performance on the condition of sealed roads – Community Satisfaction Survey	64%	57%
Council performance on the condition of unsealed roads – Community Satisfaction Survey	55%	45%
Sealed local roads maintained to condition standards	97%	97%
Reduction in customer requests for pathways per year	5% reduction	3% reduction
Number of attendees at the Wangaratta Art Gallery in 2021-22	32,000	19,205
Tickets sold through the Wangaratta Performing Arts and Convention Centre	18,500	15,114
Active library borrowers within the municipality	14%	10.3%
Council performance on community and cultural activities – Community Satisfaction Survey	72%	68%
Council performance on appearance of public open spaces – Community Satisfaction Survey	80%	74%

Major initiatives

Major Initiative	Status	Comment
Ongoing Event Strategy implementation	Ongoing	The events program has almost returned to pre COVID delivery. Success has been with The Battle of the Buskers and the Bees activation during the Easter school holidays, there was also the Parkour launch.
Street tree infill and renewal program	Ongoing	263 Street infill trees planted in 21/22. Program is ongoing with a similar number to be delivered over the next 5 years.
Development of the Creative Precinct Masterplan	Commenced	The Creative Precinct Business Case and Concept Design is in the final stages.
Plan and delivery significant play destinations including Apex Park and King Valley playgrounds	Commenced	Parkour facility in Apex Park has been launched to great reviews and work is underway in the King Valley.
Delivery of the annual gravel resheeting program	Ongoing	At a cost of \$1.72M we completed 64.9km of resheeting this included tree enveloping and upgrading of minor culverts.
Improve and grow pathway network	Ongoing	Last Financial Year we constructed 2,420m (2.4km) of footpath combining both new & renewal with a total expenditure of \$385,000.
Delivery road reseal and reconstruction programs	Ongoing	Road Resealing for 2021-22 consisted of 19km of spray sealing & 1km asphalt sealing, in total 20km at a cost of \$850K.

Report of Operations

Services

Services	Description	Net Cost \$000 Budget \$000 Variance \$000
Attractions & Events	Provides events for the municipality and cultural development.	(371) (338) 33
Library Services	Provides a public library with customer focused service that caters for the cultural and educational needs of residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.	(614) (543) 71
Wangaratta Gallery	Provides a varied program of arts and cultural events and activities. It also plans and develops arts and cultural facilities and infrastructure and develops policies and strategies to facilitate art practice.	(480) (465) 15
Wangaratta Performing Arts & Convention Centre	Provides theatre services including technical staging advice and performance operations, facilities for presentations and exhibitions of works by local artists, function and catering services and a café.	(610) (716) (106)
Youth Services	Provides youth development programs and supports youth health wellbeing.	(112) (109) 3
Projects & Recreation	Prepares policies and strategies relating to open space and recreation throughout the municipality. It also supports community projects and programs.	(944) (543) 401
Field Services	Provides road and bridge maintenance, street and footpath cleaning, drainage, walking/ cycling path, sports ground and parks and garden maintenance. It also provides street cleaning, leaf collection, weed removal, and street litter bins throughout the municipality.	(6005) (6982) (977)

Service indicators/measures

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Library Services					
Utilisation Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	2.81	2.70	2.26	2.39	There was a higher demand for physical library books and visiting the municipality's libraries when Covid-19 restrictions began easing
Resource standard Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	70.39%	58.65%	62.55%	59.44%	Less accessibility to Council's library collection, particularly physical collection items, has resulted in a slight reduction in the purchase of new items
Participation Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	13.87%	13.64%	11.74%	10.30%	The result reflects the closures and restrictions imposed as a result of the Covid-19 pandemic
Service cost Cost of library service per population [Direct cost of the library service / Population]	\$21.27	\$25.71	\$24.38	\$27.99	Increased centralised overheads and reduced borrowing due to Covid.

Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Wangaratta Gallery					
<i>Number of attendees at the Wangaratta Art Gallery</i>	37,075	24,426	17,790	19,205	
Wangaratta Performing Arts & Convention Centre					
<i>Number of tickets sold through the Wangaratta Performing Arts & Convention Centre</i>	23,387	15,777	7,041	15,114	Ticket sales purchased through the Wangaratta Performing Arts & Convention Centre have increased as Covid-19 related restrictions eased throughout the 2021-22 Financial Year
<i>Number of conferences and conventions at the Performing Arts & Convention Centre</i>	New measure	149	74	147	
Cultural Development					
<i>Performance on community and cultural activities</i>	66	69	67	68	

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Roads					
Satisfaction of use [Number of sealed local road requests / Kilometres of sealed local roads] x100	28.51	28.00	66.71	42.83	Post Covid efficiency (improved access to materials and labour) have seen better preventative road maintenance meaning fewer customer requests.
Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	98.84%	97.42%	97.26%	97%	
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$91.26	\$0.00	\$63.25	\$61.17	
Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$3.51	\$4.78	\$4.86	\$4.55	
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	57	57	64	57	Satisfaction has returned to previous levels following Covid bounce in 20/21
Performance on the condition of local streets and footpaths [Community satisfaction rating out of 100 with how Council has performed on the condition of local streets and footpaths]	57	58	61	58	Satisfaction has returned to previous levels following Covid bounce in 20/21
Performance on maintenance of unsealed roads [Community satisfaction rating out of 100 with how Council has performed on the maintenance of unsealed roads in the local area]	48	48	52	45	Satisfaction has returned to previous levels following Covid bounce in 20/21

6. Growing with integrity

Strategic Indicators

Strategic indicator or measure	Target	Result
Annual number of building permits issued for new dwellings	150	165
Annual number of new residential lots released	150	184
Planning applications made within required timeframes	82%	79.67%
Median number of processing days taken between receipt of a planning application and decision	55	49.33
Council performance on planning and building permits - (Community Satisfaction Survey)	60%	51%
Annual population growth – (census data)	1.2%	1.15%
Annual increase in gross regional product – (REMPAN)	2%	1.02%
Increase in visitation to Invest Wangaratta and Live Wangaratta websites	10%	5%

Major initiatives

Major Initiative	Status	Comment
Ongoing implementation of the Marketing & Branding Strategy	Ongoing	Conducted large out-of-home advertising campaign in 2022 to promote visitation to the region. Ongoing digital marketing campaign efforts to drive tourism and economic development.
Reconstruction of Mackay Street	Completed	Works have completed on site.
Completion of the Planning Scheme Review	Ongoing	The requirements of Sec 12b of the Planning and Environment Act 1987 are considered to be satisfied by the State wide Planning Policy Framework translation program that resulted in major changes being approved into the Wangaratta Planning Scheme in June 2022 via Amendment C82.
Continued implementation of Council's Asset Data, Condition and Renewal Policy	Ongoing	Council continues to invest in acquiring accurate asset condition data to form Council's ongoing renewal plans each financial year.
Completion of the Building Services Review	Completed	Review recommendations are being implemented.

Services

Services	Description	Net Cost \$000 Budget \$000 Variance \$000
Development Services Management	Provides strategic direction to the Development Services directorate.	(600) (586) 14
Infrastructure Management	Provides strategic direction to the Infrastructure Services directorate	(673) (668) 5
Infrastructure Planning & Delivery	Prepares long term management programs for Council's assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. Undertakes the design, tendering, contract management and supervision of Council's capital works program.	(3324) (3984) (660)
Planning & Building	The Planning service (including statutory planning) processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit. The Building service provides statutory building services to the community.	(720) (233) 487

Report of Operations

Service indicators/measures

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

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Statutory planning					
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	53.00	46.00	47.00	50.00	
Service standard Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	82.49%	82.03%	80.26%	83.39%	
Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,412.42	\$2,271.96	\$1,826.91	\$2,017.00	Costs returning to previous level following Covid
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	66.67%	83.33%	33.33%	100.00%	All planning decisions that went to VCAT were upheld.
Number of building permits for new dwellings issued within the municipality [Number of building permits issued within growth areas]	New Measure	151	211	165	
Number of new housing lots released in the municipality	New Measure	179	166	184	
Performance on planning and building permits [Community satisfaction rating out of 100 with how Council has performed on planning and building permits]	47	54	54	51	

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2019	2020	2021	2022	
Statutory planning					
<i>Infrastructure</i> Value of infrastructure assets per head of municipal population [Value of infrastructure assets/municipal population]	\$17,253	\$17,748	\$19,858	\$20,358	

Statutory Information

Documents available for public inspection

In accordance the Local Government (General) Regulations 2020, the following are prescribed documents that are available for public inspection at 62-68 Ovens Street, Wangaratta:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by a councillor or any member of council staff in the previous 12 months;
- minutes of Scheduled and Unscheduled meetings held in the previous 12 months which are kept under section 61 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 66 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- a register of delegations kept under sections 11(8) 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 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.

Council's Public Transparency Policy provides a non-exhaustive list of documents that are not publicly accessible, but these documents may be accessible via the Freedom of Information process.

Contracts

During the year, Council's adopted a Procurement Policy in line with the changes to the Local Government Act 2020, on 14 December 2021. Up until the adoption date of the new policy the Local Government Act 1989 was in force and procurement activities of Council were conducted under the previous Act.

1 July 2021 to 14 December 2021

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

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

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

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

15 December 21 to 30 June 2022.

Council entered three contracts valued at \$250,000 (ex GST) for Goods, Services, or Works of a kind specified in section 108(3)(d) of the Local Government Act 2020 (*the Act*), nominated in the Procurement Policy as Exemptions from Public Tendering.

- Recycling collection - Contract (C1415/007) extended for a further two year period to 30 June 2024
- Liability Mutual Insurance - Insurance for Public Liability and Professional Indemnity provided through MAV
- Retaining Wall in Merriwa Park

Council did not enter into any other contracts valued at \$250,000 or more without engaging in a competitive tender 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;

- employees and agents reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships.

These measures include:

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

Disability action plan

In accordance with section 38 of the Disability Act 2006, Council has prepared a Disability Action Plan and it must report on the implementation of the Disability Action Plan in its annual report.

Council has prepared a Disability Action Plan and implemented the following actions:

- Convened regular meetings of the Accessibility Reference Group;
- Convened an Inclusive Events Guide to assist in making all events accessible;
- Hosted an event on the International Day for People with Disability with guest speaker Nick Morris;
- Applied for Information, Linkages and Capacity Building grants;
- Undertaken Key Word Sign Training;
- Included Accessibility and Inclusion as a category in Council's 2021/22 and 2022/23 Community Grants programme. In 2021/22 three accessibility and inclusion projects were funded.
- Conducted communication training and created communication boards that are now in place at the Wangaratta Government Centre, Wangaratta Art Gallery, Wangaratta Performing Arts Centre, Wangaratta Information Centre and Wangaratta Library;
- Used Council's online presence to increase awareness and understanding of disability and the barriers Coronavirus has created,
- Promoted the use of Council's Community Resource Kit;
- Embedded access and inclusion considerations in all council policies and strategies; and:
- Utilised innovative options, online resources and social networking to enable people to attend meetings due to disability, transport or distance and restrictions.

Domestic Animal Act

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

Council adopted the Domestic Animal Management Plan which was endorsed by Council 2021 – 2025 on 14 December 2021.

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

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.

Freedom of Information Act

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

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

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

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

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

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

Public Interests Disclosures Act

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

The Act aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available council's website.

In the past financial year Council has had one Public Interest Disclosure.

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.

Infrastructure and development contributions

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

For the 2021-22 year, the following information about infrastructure and development contributions is disclosed.

Development Contributions

Total DCP levies received in 2021-22

DCP name (Year approved)	Levies received in 2021-22 financial year (\$)
Precinct 2 (Reith Road), Stage 1	\$460,878.30
Total	\$460,878.30

DCP land, works, services or facilities accepted as works-in-kind in 2021-22

DCP name (Year approved)	Project ID	Project description	Item purpose	Project value (\$)
Not Applicable				
Total				

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

DCP name and year approved	Total levies received (\$)	Total levies expended (\$) **	Total works-in-kind accepted (\$)
Lindner Road	0.00	\$13,601	0.00
Christensen Lane	0.00	\$10,768.50	0.00
Precinct 2 (Reith Road)	\$460,878.30	0.00	0.00
Total	\$460,878.30	\$24,389.50	\$436,488.80

Governance, management and other information

Governance

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

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

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

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

Meetings of council

Council conducts open public meetings on the fourth Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the council, make a submission or speak to an item. For the 2021-22 financial year, Council held 11 Scheduled Council meetings.

Conflict of interest

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

Delegated committees

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

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

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

Management

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

Audit and Risk Committee

The Audit Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit Committee consists of four independent members, Mr Vito Giudice (Chair from 21 June 2022), Mr Gavan Nolan and Ms Rowan O'Hagan and two Councillors. Ms Gayle Lee was the independent chairperson until the end of her term on 15 February and this was subsequently advertised to be filled. Independent members are appointed for a three-year term and the chair is elected from amongst the independent members.

The Audit Committee meets four times a year, with a special meeting convened for the purposes of considering Council's Financial and Performance Statements and Governance and Management Checklist.

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

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

Internal audit

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

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

Recommendations are assigned to the responsible Manager and tracked in Council's performance management system. Managers provide quarterly status updates that are reviewed by the Internal Auditor and reported to the Corporate Management Team and the Audit and Risk Committee. Quality assurance is measured through the annual Audit and Risk Committee self-assessment, completion of the internal audit plan and benchmarking against other internal audit functions.

The IAP for 2021-22 was completed with the following six reviews conducted:

- Environmental Management & Sustainability
- Past Issues Review
- IT Strategic Planning and Governance
- Business Continuity and Disaster Recovery Planning
- Data Analytics – Purchasing Cards
- Fraud and Corruption Risk Management

External audit

Council is externally audited by the Victorian Auditor-General. For the 2021-22 year the annual external audit of council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend each Audit and Risk Committee meeting. The external audit management letter and responses are also provided to the Audit and Committee.

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 Checklist

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

Governance and Management Items	Assessment
1. Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date of adoption: 15 December 2020
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines in operation Date of operation of current guidelines: 15 December 2020
3. Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date of adoption: 26 October 2021
4. Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Date of adoption: 28 June 2022
5. Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 94 of the Act Date of adoption: 27 April 2021
6. Annual Budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date of adoption: 26 June 2021
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of operation of current policy: 25 February 2020
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of operation of current policy: 20 August 2019 Reviewed policy scheduled to be adopted in August 2022.
9. Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency mitigation, response and recovery)	Plan in operation Date of operation of current Plan: 8 December 2021 Prepared and maintained in accordance with section 60ADB of the <i>Emergency Management Act 2013</i>

Governance and Management Items	Assessment
10. Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date of adoption: 14 December 2021
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date of operation of current plan: 28 September 2021
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)	Current plan in operation Date of operation of current plan: 31 May 2022
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of operation of current framework: 30 April 2020
14. Audit and risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date of establishment: 25 August 2020
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)	Internal auditor engaged Date of engagement of current provider: 20 January 2020
16. Performance reporting framework a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Current framework in operation Date of operation of current framework: 15 August 2022
17. Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report Date of report: 29 March 2022
18. Financial reporting (quarterly statements to the Council under section 97(1) of the Local Government Act 2020, comparing actual and budgeted results and an explanation of any material variations)	Statements presented to the Council in accordance with section 97(1) of the <i>Local Government Act 2020</i> Dates statements presented: Quarterly Statement No. 1 26 October 2021; Quarterly Statement No. 2 29 March 2022, Quarterly Statement No.3 26 April 2022

Governance and Management Items	Assessment
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented Date of reports: Six-monthly Report No. 1 – 10 August 2021; Six-monthly Report No. 2 – 15 February 2022; Six-monthly report No.3 – 21 June 2022.
20. Performance reporting (6-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the <i>Local Government Act</i>)	Reports prepared and presented Date of reports: Six-monthly Report No. 1 – 28 September 2021; Six-monthly Report No. 2 – 29 March 2022
21. Annual report (annual report under sections 98, 99 and 100 of the Local Government Act 2020 containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act Date of consideration: 26 October 2021
22. Councillor Code of Conduct (Code setting out standards of conduct to be followed by Councillors and other matters)	Reviewed in accordance with section 139 of the Act Date reviewed: 23 February 2021
23. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review: Instrument of Delegation from Council to members of Council staff 26 April 2022 Instrument of Sub-Delegation by the CEO endorsed on 15 March 2022 Instrument of Appointment and Authorisation endorsed on 25 January 2022 Instrument of Sub-Delegation to members of Council staff under the Environment Protection Act 2017 endorsed on 23 November 2021
24. Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 23 March 2021

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



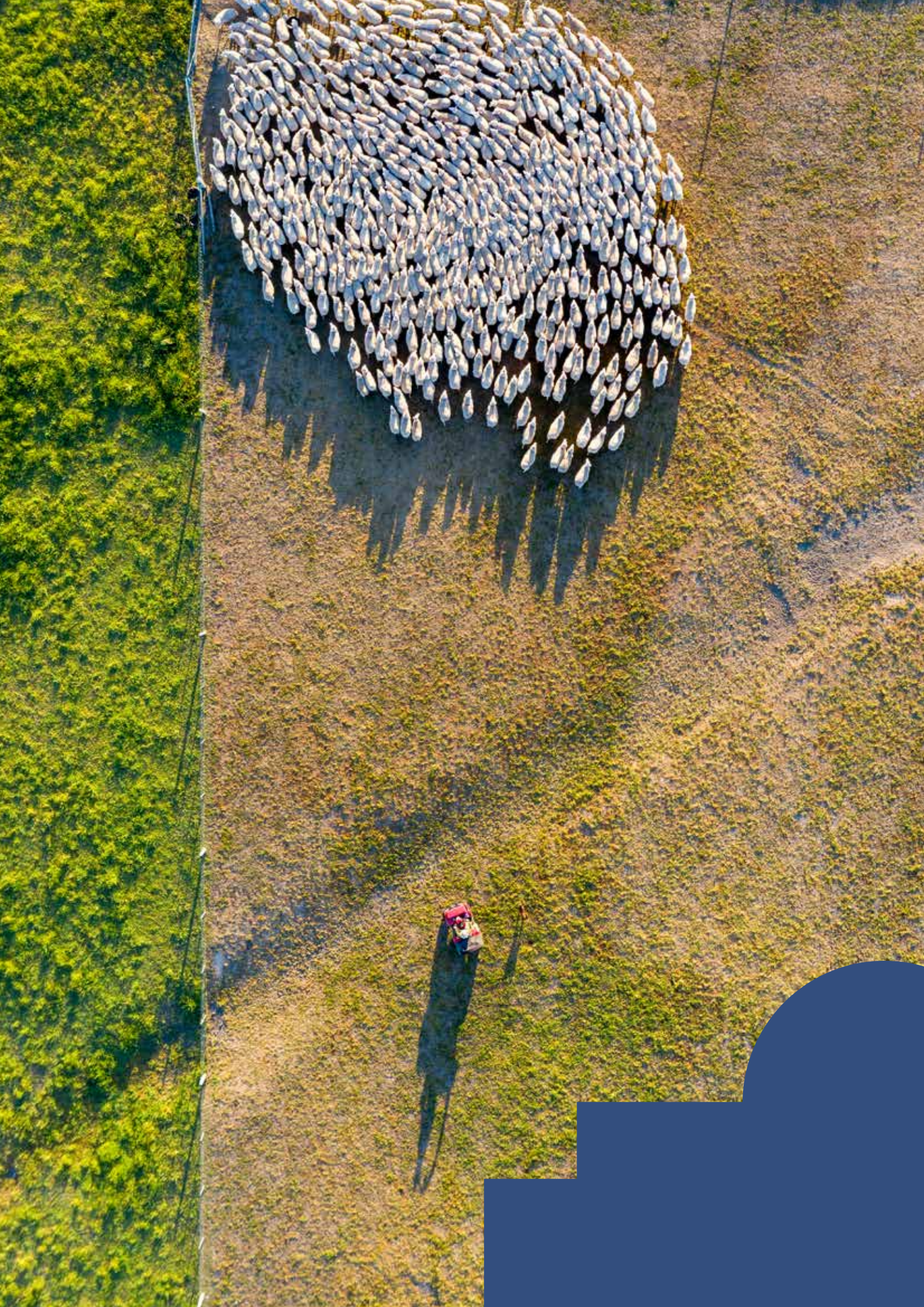
Brendan McGrath
Chief Executive Officer

Date: 03/10/2022



Cr Dean Rees
Mayor

Date: 03/10/2022



Performance Statement



Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2022

Description of the municipality

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

There are over 29,000 residents living in the municipality which covers an area of 3,646 square kilometres. The largest urban centre in the municipality is Wangaratta. Prominent townships and villages include Boorhaman, Cheshunt, Eldorado, Everton, Glenrowan, Oxley, Milawa, Moyhu, Peechelba, Springhurst, Tarrawingee, Whitfield and Whorouly.

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

Overview of 2021-22 Financial Year

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

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2022

Sustainable Capacity Indicators

Indicator / measure [formula]	Results				Comment
	2019	2020	2021	2022	
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,117.17	\$2,449.93	\$2,711.79	\$2,852.89	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$17,253.03	\$17,748.00	\$19,857.73	\$19,747.13	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	14.67	14.69	15.49	14.79	
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,499.16	\$1,711.21	\$1,780.97	\$1,743.35	
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$521.40	\$593.21	\$617.12	\$688.93	
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	4.00	4.00	4.00	4.00	
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	10.0%	10.0%	13.4%	24.0%	A higher than anticipated turnover rate, which has been common across the local government sector in Victoria.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2022

Service Performance Indicators

Service / indicator / measure	2019	2020	Results 2021	2022	Comment
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.63	9.81	9.18	11.08	Higher than targeted utilisation of aquatic facilities due to the loosening of Covid restrictions
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	0.00%	0.00%	0.00%	No prosecutions in this period
Food safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	68.18%	78.57%	100.00%	75.00%	Fewer follow ups required
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51.00	52.00	56.00	60.00	This number indicates Council's commitment to transparency
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	13.87%	13.64%	11.74%	10.30%	The result reflects the closures and restrictions imposed as a result of the Covid-19 pandemic

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2022

Service / indicator / measure	2019	2020	Results 2021	2022	Comment
Maternal and child health					
Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	73.97%	80.62%	84.74%	85.03%	
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	75.00%	85.05%	90.38%	83.33%	
Roads					
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	57	57	64	57	Satisfaction has returned to previous levels following Covid bounce in 20/21
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	66.67%	83.33%	33.33%	100.00%	All planning decisions that went to VCAT were upheld.
Waste Collection					
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	60.10%	61.83%	60.45%	64.34%	Council has seen an improvement in the kerbside waste diverted from landfill, demonstrating council's commitment to a clean and green municipality.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2022

Financial Performance

Dimension / indicator / measure	Results			Forecasts					Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
Efficiency									
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,991.06	\$4,564.99	\$4,939.55	\$5,238.44	\$4,485.44	\$4,575.50	\$4,662.69	\$4,643.50	
Revenue level									
Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	\$1,725.10	\$1,766.92	\$1,826.31	\$1,886.00	\$1,947.38	\$2,010.75	\$2,076.13	The increase from 2020-21 reflects the rate increase limited to the rate cap amount plus increases to waste service charges.
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	201.13%	140.89%	173.09%	174.12%	180.91%	174.56%	138.09%	148.89%	
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	18.91%	52.36%	63.89%	12.26%	110.53%	98.12%	80.78%	74.10%	Council's unrestricted cash position will fluctuate based on the timing of borrowings drawn down, grant money received in advance of capital works spending and the timing of the repayment of trust deposits.
Obligations									
Loans and borrowings									
Loans and borrowings compared to rates [Interest and principle repayments on Interest bearing loans and borrowings / Rate revenue] x100	25.43%	49.40%	90.70%	82.47%	72.35%	62.38%	56.05%	37.36%	Comparative to 2020-21 Council only borrowed an additional \$1m which was drawn down on the 30 June. No further borrowings are budgeted for in 2022-23.
Loans and borrowings									
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.87%	2.41%	7.37%	9.11%	8.58%	8.24%	7.92%	24.11%	Loans and borrowings repayments compared to rates has increased from 2020-21, which is reflective of the additional borrowings drawn down in 2021-22.
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	55.60%	68.73%	99.40%	101.52%	89.93%	75.34%	53.21%	47.59%	
Asset renewal and upgrade									
Asset renewal and upgrade compared to depreciation [Asset renewal and upgrade expense / Asset depreciation] x100	New in 2020	100.28%	68.78%	69.79%	161.14%	58.88%	59.00%	99.94%	Previous years have seen increased capital works spending on new assets. Future year budgets see a reduction on new asset expenditure and increases on renewal and upgrade spending.

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2022

Dimension / indicator / measure	Results					Forecasts			Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	53.86%	49.32%	47.22%	49.27%	54.84%	55.29%	55.88%	56.44%	
Rates effort									
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.58%	0.57%	0.55%	0.54%	0.44%	0.45%	0.47%	0.48%	

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2022

Former Measures

Service / indicator / measure	Results 2018	Results 2019	Results 2020	
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]		0	Retired in 2020	This measure was replaced by <i>Animal management prosecutions (%)</i> for 2020.
Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]		\$1,825.37	Retired in 2020	This measure was replaced by <i>Average rate per property assessment</i> for 2020.
Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100		62.55%	Retired in 2020	This measure was replaced by <i>Asset renewal and upgrade compared to depreciation</i> for 2020.

Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its financial plan on 28 June 2022 and which forms part of the council plan. The financial plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The financial plan can be obtained by contacting council.

Wangaratta Rural City Council

Performance Statement

For The Year Ended 30 June 2022

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Wangaratta Rural City Council
Performance Statement
For The Year Ended 30 June 2022

Certification

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



Chris Molyneaux CPA BBus(Acc)

Principal Accounting Officer

Dated: 25 November 2022

In our opinion, the accompanying performance statement of the Wangaratta Rural City Council for the year ended 30 June 2022 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

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

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

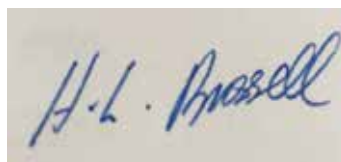
We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2020 to certify this performance statement in its final form.



Dean Rees

Councillor

Dated: 25 November 2022



Harry Bussell

Councillor

Dated: 25 November 2022



Brendan McGrath

Chief Executive Officer

Dated: 25 November 2022

Independent Auditor's Report

To the Councillors of Wangaratta Rural City Council

Opinion

I have audited the accompanying performance statement of Wangaratta Rural City Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2022
- sustainable capacity indicators for the year ended 30 June 2022
- service performance indicators for the year ended 30 June 2022
- financial performance indicators for the year ended 30 June 2022
- other information and
- certification of the performance statement.

In my opinion, the performance statement of Wangaratta Rural City Council in respect of the year ended 30 June 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Councillors' responsibilities for the performance statement

The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

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

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

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

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

MELBOURNE
9 December 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

Financial Report



Wangaratta Rural City Council
Financial Report 2021/2022
Certification of the
Financial Statements

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



Chris Molyneaux, Manager Finance, CPA
Principal Accounting Officer
Date : 25/11/2022
Wangaratta

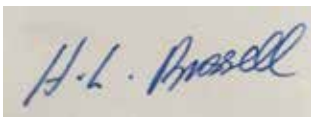
In our opinion the accompanying consolidated financial statements present fairly the financial transactions of the Rural City of Wangaratta and its controlled entity for the year ended 30 June 2022 and the financial position of the Council and its controlled entity as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.



Cr Dean Rees
Mayor
Date : 25/11/2022
Wangaratta



Cr Harry Bussell
Deputy Mayor
Date : 25/11/2022
Wangaratta



Brendan McGrath
Chief Executive Officer

Independent Auditor's Report

To the Councillors of Wangaratta Rural City Council

Opinion	<p>I have audited the financial report of Wangaratta Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2022 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit of
the financial
report**

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

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

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

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

Wangaratta Rural City Council
Financial Report 2021/2022
Comprehensive Income Statement
For the Year Ended 30 June 2022

	Note	Consolidated		Council	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income					
Rates and charges	3.1	36,835	35,354	36,835	35,354
Statutory fees and fines	3.2	1,577	1,162	1,577	1,162
User fees	3.3	11,031	10,873	10,239	10,409
Grants - operating	3.4	21,868	20,935	21,868	20,935
Grants - capital	3.4	7,930	8,243	7,930	8,243
Contributions - monetary	3.5	756	1,077	756	1,077
Contributions - non monetary	3.5	2,962	1,825	2,962	1,825
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(641)	394	(641)	394
Other income	3.7	3,210	4,682	3,208	4,680
Total income		85,528	84,544	84,734	84,079
Expenses					
Employee costs	4.1	27,841	27,419	27,577	27,218
Materials and services	4.2	27,358	24,580	27,225	24,395
Depreciation	4.3	18,922	16,439	18,893	16,413
Amortisation - intangible assets	4.4	1,659	967	1,659	967
Amortisation - right of use assets	4.5	257	261	243	248
Bad and doubtful debts	4.6	114	210	114	210
Borrowing costs	4.7	666	650	666	650
Finance costs - leases	4.8	28	37	24	33
Other expenses	4.9	7,512	9,042	7,415	9,042
Total expenses		84,357	79,605	83,816	79,176
Surplus/(deficit) for the year		1,171	4,939	918	4,903
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment/(decrement)	6.2	3,069	61,166	3,069	61,166
Total other comprehensive income		3,069	61,166	3,069	61,166
Total comprehensive result		4,240	66,105	3,987	66,070

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

Wangaratta Rural City Council
Financial Report 2021/2022
Balance Sheet
As at 30 June 2022

	Note	Consolidated		Council	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Current assets					
Cash and cash equivalents	5.1 (a)	19,980	34,868	19,513	34,524
Trade and other receivables	5.1 (c)	3,632	5,518	3,559	5,490
Other financial assets	5.1 (b)	31,000	11,000	31,000	11,000
Inventories	5.2 (a)	5	7	2	2
Non-current assets classified as held for sale	6.1	1,493	1,658	1,493	1,658
Other assets	5.2 (b)	1,562	1,204	1,562	1,204
Total current assets		57,672	54,255	57,129	53,878
Non-current assets					
Other financial assets	5.1 (b)	258.00	254	258	254
Property, infrastructure, plant and equipment	6.2	651,752	646,917	651,406	646,772
Right-of-use assets	5.8	546.00	803	465	708
Intangible assets	5.2 (c)	902.00	2,562	902	2,562
Total non-current assets		653,458	650,536	653,031	650,296
Total assets		711,130	704,791	710,160	704,174
Liabilities					
Current liabilities					
Trade and other payables	5.3 (a)	8,240	6,943	8,100	6,903
Trust funds and deposits	5.3 (b)	2,102	2,005	2,102	2,005
Unearned income/revenue	5.3 (c)	13,390	12,931	13,390	12,931
Provisions	5.5	6,344	6,385	6,314	6,361
Interest-bearing liabilities	5.4	2,683	2,688	2,683	2,688
Lease liabilities	5.8	234	251	222	240
Total current liabilities		32,993	31,203	32,811	31,128
Non-current liabilities					
Provisions	5.5	24,043	21,826	24,038	21,825
Interest-bearing liabilities	5.4	27,695	29,378	27,695	29,378
Lease liabilities	5.8	338	572	263	485
Total non-current liabilities		52,076	51,777	51,996	51,689
Total liabilities		85,069	82,980	84,807	82,817
Net assets		626,061	621,812	625,353	621,357
Equity					
Contributed equity		152	152	-	-
Accumulated surplus		175,608	179,425	175,052	179,122
Reserves	9.1	450,301	442,235	450,301	442,235
Total Equity		626,061	621,812	625,353	621,357

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

Wangaratta Rural City Council
Financial Report 2021/2022
Statement of Changes in Equity
For the Year Ended 30 June 2022

Consolidated	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves		Contributed Equity	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		621,811	555,706	179,425	177,372	419,852	358,686	22,382	19,496	152	152
Surplus/(deficit) for the year		1,171	4,940	1,171	4,940	-	-	-	-	-	-
Net asset revaluation increment/(decrement)	9.1	3,069	61,166	-	-	3,069	61,166	-	-	-	-
Transfers to other reserves	9.1	10	-	(12,065)	(13,697)	-	-	12,075	13,697	-	-
Transfers from other reserves	9.1	-	-	7,077	10,810	-	-	(7,077)	(10,810)	-	-
Balance at end of the financial year		626,061	621,812	175,608	179,425	422,921	419,852	27,380	22,383	152	152

Council	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves		Contributed Equity	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		621,356	555,288	179,122	177,106	419,852	358,686	22,382	19,496	-	-
Surplus/(deficit) for the year		918	4,903	918	4,903	-	-	-	-	-	-
Net asset revaluation increment/(decrement)	9.1	3,069	61,166	-	-	3,069	61,166	-	-	-	-
Transfers to other reserves	9.1	10	-	(12,065)	(13,697)	-	-	12,075	13,697	-	-
Transfers from other reserves	9.1	-	-	7,077	10,810	-	-	(7,077)	(10,810)	-	-
Balance at end of the financial year		625,353	621,357	175,052	179,122	422,921	419,852	27,380	22,383	-	-

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

Wangaratta Rural City Council
Financial Report 2021/2022
Statement of Cash Flows
For the Year Ended 30 June 2022

Note	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash flows from operating activities				
Rates and charges	37,027	36,006	37,027	36,006
Statutory fees and fines	1,577	1,162	1,577	1,162
User fees	11,031	10,942	10,239	10,409
Grants - operating	21,868	20,935	21,868	20,935
Grants - capital	7,930	8,243	7,930	8,243
Contributions - monetary	756	1,077	756	1,077
Interest received	314	116	314	116
Trust funds and deposits taken	97	427	97	427
Reimbursements	343	2,055	343	2,055
Other receipts	2,449	10,552	2,150	10,552
Net GST refund/payment	39	160	42	160
Employee costs	(27,747)	(24,998)	(27,493)	(24,998)
Materials and services	(26,823)	(26,237)	(26,358)	(25,818)
Short-term, low value and variable lease payments	(196)	(253)	(196)	(253)
Other payments	-	15	-	15
Net cash provided by/(used in) operating activities	28,665	40,202	28,296	40,088
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment	(20,963)	(29,635)	(20,732)	(29,566)
Proceeds from sale of property, infrastructure, plant and equipment	43	834	43	834
Net (increase)/decrease in other financial assets	(20,000)	(7,000)	(20,000)	(7,000)
Net cash provided by/(used in) investing activities	(40,920)	(35,801)	(40,689)	(35,732)
Cash flows from financing activities				
Finance costs	(666)	(650)	(666)	(650)
Proceeds from borrowings	1,000	17,292	1,000	17,292
Repayment of borrowings	(2,688)	(1,954)	(2,688)	(1,954)
Interest paid - lease liability	(28)	(44)	(24)	(33)
Repayment of lease liabilities	(251)	(242)	(240)	(231)
Net cash provided by/(used in) financing activities	(2,633)	14,402	(2,618)	14,424
Net increase (decrease) in cash and cash equivalents	(14,888)	18,803	(15,011)	18,780
Cash and cash equivalents at the beginning of the financial year	34,868	16,065	34,524	15,744
Cash and cash equivalents at the end of the financial year	19,980	34,868	19,513	34,524

Financing arrangements 5.6
Restrictions on cash assets 5.1

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

Wangaratta Rural City Council
Financial Report 2021/2022
Statement of Capital Works
For the Year Ended 30 June 2022

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Property				
Land improvements	289	4,357	289	4,357
Total land	289	4,357	289	4,357
Buildings	3,703	1,363	3,703	1,363
Total buildings	3,703	1,363	3,703	1,363
Total property	3,992	5,720	3,992	5,720
Plant and equipment				
Plant, machinery and equipment	1,252	1,530	1,252	1,530
Fixtures, fittings and furniture	98	65	98	65
Computers and telecommunications	673	820	673	820
Art Collection	3	3	3	3
Library books	205	178	205	178
Total plant and equipment	2,231	2,596	2,231	2,596
Infrastructure				
Roads	4,360	3,819	4,360	3,819
Bridges	536	867	536	867
Footpaths and cycleways	569	300	569	300
Drainage	410	1,502	410	1,502
Recreational, leisure and community facilities	2,552	8,586	2,552	8,586
Waste management	1,295	391	1,295	391
Parks, open space and streetscapes	3,518	1,819	3,518	1,819
Aerodromes	652	494	652	494
Other infrastructure	647	1,298	647	1,298
Total infrastructure	14,539	19,076	14,539	19,076
Total capital works expenditure	20,762	27,392	20,762	27,392
Represented by:				
New asset expenditure	7,577	16,103	7,577	16,103
Asset renewal expenditure	9,512	7,124	9,512	7,124
Asset upgrade expenditure	3,673	4,165	3,673	4,165
Total capital works expenditure	20,762	27,392	20,762	27,392

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

Wangaratta Rural City Council
Financial Report 2021/2022
Notes to the Financial Report
For the Year Ended 30 June 2022

Note 1 OVERVIEW

Introduction

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

Statement of compliance

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

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

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

(b) Impact of COVID-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global COVID-19 pandemic. The state of emergency in Victoria ended on 15 December 2021. This has at times significantly impacted Council's operations through closures and reduced service delivery.

As outlined in the Performance Against Budget note 2.1.1, user fees has seen the biggest impact as facilities such as WSAC, Performing Arts Centre and Childcare Facilities responded to restrictions and reduced service delivery as a result of reduced staff due to COVID-19. As we see restrictions ease across the region it is expected that rebuilding these revenue levels may not be immediate due to changes in community behaviour as a result of restrictions over the past two years. Savings in materials and services and employee costs were able to be identified in these program budgets, however have not completely offset the impact of lost revenue. Council has identified \$15k of additional expenditure in response to COVID in 2021/22.

A number of grants were received in response to COVID, including COVID Relief Program - Food Relief Coordination (\$21k 2021/22), COVID Safe Outdoor Activation Fund (\$108k 2021/22), Outdoor Eating and Entertainment (\$236k 2021/22).

Non-current asset values are not expected to be materially impacted by COVID at balance date.

Wangaratta Rural City Council
Financial Report 2021/2022
Notes to the Financial Report
For the Year Ended 30 June 2022

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$200,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income and expenditure

	Budget	Actual	Variance	Variance	
	2022	2022			
	\$'000	\$'000	\$'000	%	Ref
Income					
Rates and charges	36,873	36,835	(38)	(0%)	
Statutory fees and fines	1,264	1,577	313	25%	1
User fees	11,949	10,239	(1,710)	(14%)	2
Grants - operating	17,783	21,868	4,085	23%	3
Grants - capital	10,147	7,930	(2,217)	(22%)	4
Contributions - monetary	174	756	582	334%	5
Contributions - non monetary	1,700	2,962	1,262	100%	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	181	(641)	(822)	(454%)	7
Other income	202	3,208	3,006	1488%	8
Total income	80,273	84,734	4,461	6%	
Expenses					
Employee costs	28,778	27,577	1,201	4%	9
Materials and services	22,841	27,225	(4,384)	(19%)	10
Depreciation	16,159	18,893	(2,734)	(17%)	11
Amortisation - Intangible assets	940	1,659	(719)	(76%)	12
Amortisation - Right of use assets	256	243	13	5%	
Bad and doubtful debts	-	114	(114)	100%	13
Borrowing costs	669	666	3	0%	
Finance costs - Leases	24	24	-	0%	
Other expenses	436	7,415	(6,979)	(1601%)	14
Total expenses	70,103	83,816	(13,713)	(20%)	
Surplus/(deficit) for the year	10,170	918	(9,252)	(91%)	

Wangaratta Rural City Council
Financial Report 2021/2022
Notes to the Financial Report
For the Year Ended 30 June 2022

Note 2.1 Performance against budget (cont'd)

2.1.1 Income and expenditure

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Statutory fees and fines were \$313k more than budget due to increased Community Compliance fines \$202k, Planning Permits \$28k, Animal Registrations \$38k, Election Fines \$24k, and Planning scheme amendment requests \$21k.
2	User fees	User fees were \$1,710k less than Budget with lower Income from WSAC operations \$936k due to full year impact of repeated COVID related shutdowns and restrictions to operating conditions. Other variances include Long day care \$493k due to reduced capacity at facilities as a result of staff availability and Bowser Landfill fees \$361k due to less than anticipated commercial waste.
3	Grants - operating	Council benefited with \$4,085k of additional operating grant funding including early receipt of 2022/23 Grants Commission funding \$2,280k (75% receipt relative to budget assumption of 50%). Grant funding was received for non-recurrent operating projects including Business Concierge and Hospitality Support Program \$240k, Ovens & Murray Multicultural Regional Area Partnership \$220k, Creative Precinct Master Plan \$115k, Creative Bushfire Recovery Program \$106k, Community Activation and Social Isolation Initiative \$102k, Bushfire Resilience Funding \$94k, COVID Safe Outdoor Activation Fund \$68k, School Readiness Funding \$62k and Digital Literacy in the Ovens Murray Region \$52k. Other greater than budget variance included non recurrent project carryovers for Gun Club rehabilitation \$640k.
4	Grants - capital	Grants - capital were \$2,217k less than Budget due to the timing of recognition of capital grant income under AASB 1058 for projects including Prosecco Road Masterplan \$662k, Implementation of Glenrowan Historic Precinct Program \$500k, Gravel Resheeting Program \$500k, Regional Play Space \$411k, Upgrade Sanford Road \$350k, and Drought Relief Funding \$217k. This unfavourable variance is partially offset by additional grant funding received for projects including Peipers Lane Bridge Reconstruction \$231k and the New Footpath Program \$160k.
5	Contributions - monetary	Additional Monetary contributions of \$582k were received for recreational land contributions and unbudgeted North West Developer contributions Plan of \$461k
6	Contributions - non monetary	Contributions - non monetary is income related to the value of assets transferred from developers to Council during the year. The budgeted amount is an estimate only and actual developer contributions have exceeded this estimate by \$1,262k reflecting high levels of development activity.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Less than Budget by \$1,438k largely due to reduced revenue from deferred sale of light fleet vehicles given unavailability of new vehicles to purchase.
8	Other income	Other income \$3,007k greater than budget includes \$2,132k associated with the favourable movement of discount rates for the landfill provisions, Reimbursements of \$343k including State Revenue Office FSPL refunds and fuel tax rebates, and interest income received at \$314k due to increased interest rates.
9	Employee Costs	Employee costs were \$1,201k lower than budget resulting from staff vacancies and changes to operating conditions earlier in the year as a result of COVID restrictions.

Wangaratta Rural City Council
Financial Report 2021/2022
Notes to the Financial Report
For the Year Ended 30 June 2022

Note 2.1 Performance against budget (cont'd)

2.1.1 Income and expenditure

(i) Explanation of material variations

10	Materials and services	<p>Expenditure in Materials and Services was \$4,383k greater than budget with \$2,200k of the increase due to new or carried over non-recurrent operating projects added during the year that are linked to the increase in operating grant funding (refer note 3). Expenditure variances on grant fund projects include the Gun Club Rehabilitation project \$1,200k, Supporting Pest, Animal and Weed Management \$152k, Ovens and Murray Multicultural Regional Area Partnership \$112k, Bushfire Resilience Funding \$140k, Creative Precinct Masterplan \$109k, Community Activation and Social Isolation Initiative \$102k, and the Business Concierge and Hospitality Support Program \$240k. Other greater than budget variances in materials and services have occurred in the WSAC precinct \$271k, Plant operating expenses \$797k, General maintenance \$306k (Facilities \$325k), Home Care personal care expenditure \$275k (due to increase in more complex clients with higher needs) Hire of equipment \$275k - (Unsealed Roads \$249k, Sealed Roads \$37k) Consultants - Specialist support services \$248k, Activities \$178k and Communications \$170k</p>
11	Depreciation	<p>Depreciation was \$2,734k greater than Budget due to the capitalisation of Works in Progress during 2021/22.</p>
12	Amortisation- Intangible Assets	<p>Amortisation of Landfill airspace was \$719k greater than budget reflecting the current assessment of estimated remaining life of the asset.</p>
13	Bad & Doubtful Debts	<p>Bad & Doubtful Debts were not budgeted for and reflect the expected loss against outstanding sundry, childcare receivables.</p>
14	Other expenses	<p>Other expenses are \$6,979k greater than budget and included the indexing of Councils Landfill rehabilitation provision to reflect current cost \$4,264k which was partially offset by \$2,273k (refer note 8) other income. The variance also includes the expenditure on non Council owned assets (via Capital Works in Progress) \$2,749k including utility relocation for Railway precinct project \$1,817k (North East Water assets offsetting grant funds \$1,100k) and ICT strategy \$184k.</p>

Wangaratta Rural City Council
Financial Report 2021/2022
Notes to the Financial Report
For the Year Ended 30 June 2022

Note 2.1 Performance against budget (cont'd)

2.1.2 Capital works

	Budget	Actual	Variance	Variance	Ref
	2022	2022			
	\$'000	\$'000	\$'000	%	
Property					
Land improvements	286	289	3	1%	1
Total land	286	289	3	1%	
Buildings	3,598	3,703	105	3%	2
Total buildings	3,598	3,703	105	3%	
Total property	3,884	3,992	108	3%	
Plant and equipment					
Plant, machinery and equipment	1,706	1,252	(454)	(27%)	3
Fixtures, fittings and furniture	116	98	(18)	(16%)	4
Computers and telecommunications	988	673	(315)	(32%)	5
Art collection	7	3	(4)	(54%)	6
Library books	193	205	12	6%	7
Total plant and equipment	3,010	2,231	(779)	(26%)	
Infrastructure					
Roads	5,174	4,360	(814)	(16%)	8
Bridges	859	536	(323)	(38%)	9
Footpaths and cycleways	463	569	106	23%	10
Drainage	423	410	(13)	(3%)	11
Recreational, leisure and community facilities	2,241	2,552	311	14%	12
Waste management	2,451	1,295	(1,156)	(47%)	13
Parks, open space and streetscapes	4,412	3,518	(894)	(20%)	14
Aerodromes	415	652	237	57%	15
Other infrastructure	3,960	647	(3,313)	(84%)	16
Total infrastructure	20,398	14,539	(5,859)	(29%)	
Total capital works expenditure	27,292	20,762	(6,530)	(24%)	
Represented by:					
New asset expenditure	11,159	7,577	(3,582)	(32%)	
Asset renewal expenditure	11,993	9,512	(2,481)	(21%)	
Asset upgrade expenditure	4,140	3,673	(467)	(11%)	
Total capital works expenditure	27,292	20,762	(6,530)	(24%)	

Wangaratta Rural City Council
Financial Report 2021/2022
Statement of Capital Works
For the Year Ended 30 June 2022

Variance Ref	Item	Explanation
1	Land	The Township Entrance & Signage Plan project has experienced delays in branding approval, therefore increasing the project timeline into 2022/23.
2	Buildings	Variance is greater than budget by \$105k due to increases in the price of materials for the Depot Solar Installation project \$46k, with unbudgeted projects including Depot refurbishment \$32k, Childrens services building renewal \$15k and Public toilet renewal \$13k.
3	Plant, machinery and equipment	Variance is less than budget by \$454k due to Covid related delays in the purchase and delivery of plant and equipment \$681k, partially offset by added expenditure for a new waste truck \$264k.
4	Fixtures, fittings and furniture	Less than budget due to contractor unavailability to complete the Art Gallery Collection Store System. This project has been carried over to the 22/23 Budget.
5	Computers and telecommunications	The ICT Strategy Implementation was \$233k less than budget mainly due to vendor delays and \$160k has been carried over in the 2022/23 Budget. Other less than budget project expenditure included the Governance Risk & Compliance Register \$40k, IT Asset renewal \$24k, and Payroll & HRIS \$19k.
6	Art collection	Less than budget by \$4k due to Covid limiting the ability of the committee to meet and identify artwork to purchase.
7	Library books	More than budget by \$12k due to more than anticipated expenditure on the contribution to the Library Book Collection \$8k and Premier's Reading Challenge \$4k.
8	Roads	Expenditure is less than budget by \$814k with Major Patching and Asphaltting projects \$201k and the Mackay Street Reconstruction projects \$446k delayed due to contractor and material availability. Other variances included the Local Roads and Community Infrastructure LRCI funded Kerb and Channel Renewal projects \$237k partially offset by LRCI Gravel re-sheeting program overspent by \$65k.
9	Bridges	Expenditure is \$324k less than budget due to Major Culvert renewal works \$209k being placed on hold for re-design and carried over to the 22/23 budget. Additionally, the Deck Overlay project for Detour Road Bridge is delayed due to problems with supply of materials \$154k. Unbudgeted project expenditure of \$31k occurred with the road bridge replacement project.
10	Footpaths and cycleways	Expenditure has exceeded budget by \$105k due to approved carry over of funds from the 21/22 budget for the footpath renewal program \$134k, offset by project delays in the Warby and Ovens Street off street path renewal \$36k.
11	Drainage	Expenditure is less than budget by \$14k with the Waldara LDRZ project being placed on hold, pending revised design \$103k and Drainage Design project \$29k. Over expenditure projects included Urban Drainage renewal \$43k, and additional expenditure carried over from the 20/21 budget for the Wangaratta Flood Mitigation Strategy and Design \$77k.
12	Recreational, leisure and community facilities	Greater than budget by \$311k due to WSAC Extension \$187k, Aquatics plan \$253k, early works on Myrree Memorial Hall Septic Upgrade and Disabled Toilet \$82k, and the Showgrounds Relief Centre \$86k. Partially offsetting these variances were projects delayed while seeking external funding including Wangaratta Showgrounds Cricket Improvements \$174k and Wangaratta Sports Development Centre Roof Decking and Canopy \$96k.

Wangaratta Rural City Council
Financial Report 2021/2022
Notes to the Financial Report
For the Year Ended 30 June 2022

2.1.2 Capital works (cont'd)

(i) Explanation of material variations

13	Waste Management	Less than budget by \$1,157k due to delayed mobilisation of the contractor assigned to the Bowser Landfill Cell 6 Construction \$815k, Cell 2 & 8 Rehabilitation \$261k and the Organics Processing Facility Maturation Pad Expansion project being placed on hold pending funding \$222k. This less than anticipated expenditure has been partially offset by new expenditure added during the year for the Transfer Station upgrades for glass collection \$109k.
14	Parks, open space and streetscapes	Expenditure is less than budget by \$894k mainly due to project delays. The LRCI funded Merriwa Park Retaining Wall Repair project \$602k was delayed due to unsuccessful procurement campaigns. The project has been carried over to the 22/23 budget and a contractor has been awarded. The \$941k variance to budget for the Implementation of Glenrowan Historic Precinct program is due to materials and final design delays and the project has been carried over to the 22/23 budget. This expenditure delay has been offset by additional expenditure for the North Wangaratta Reserve Lighting Upgrade \$186k, Mitchell Avenues childrens garden construction \$24k, Outdoor eating & entertainment \$284k and expenditure in relation to the COVID-19 Outdoor Eating and Entertainment grant \$126k.
15	Aerodromes	Greater than budget expenditure of \$237k with the unbudgeted aerodrome wildlife fence \$209k.
16	Other infrastructure	Less than budget by \$3,303k with reduction of \$1,633k spending on Prosecco Road Masterplan as major works will not begin until 22/23 under the agreed delivery schedule with the funding body. Project management costs have been cleared from 20/21 and 21/22 creating a less than budget variance of \$1,389k. Marketing and Branding Strategy project variance of \$341k to carryover into Budget 22/23.

Wangaratta Rural City Council
Financial Report 2021/2022
Statement of Capital Works
For the Year Ended 30 June 2022

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Executive Services

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

Corporate 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 and also marketing.

Infrastructure Services

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

Wangaratta Rural City Council
Financial Report 2021/2022
Notes to the Financial Report
For the Year Ended 30 June 2022

2.2.2 Summary of income, expenses, assets and capital expenses by program

2022

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Executive Services	35	807	(772)	-	-
Corporate Services	52,860	34,925	17,935	10,259	1,677
Development Services	3,350	6,919	(3,569)	635	-
Community Wellbeing	16,194	22,089	(5,895)	10,148	2,600
Infrastructure Services	12,295	19,076	(6,781)	8,756	647,129
	84,734	83,816	918	29,798	651,406

2021

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Executive Services	16	1,107	(1,091)	-	-
Corporate Services	47,445	36,197	11,248	8,854	55,036
Development Services	4,448	5,438	(990)	977	-
Community Wellbeing	14,893	18,749	(3,856)	9,670	2,401
Infrastructure Services	17,276	17,685	(409)	9,677	664,680
	84,078	79,176	4,902	29,178	722,117

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Note 3 Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2021/22 was \$6.786 billion (2020/21 \$6.308 billion).

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cultural and recreational land	26	27	26	27
Garbage	3,563	3,247	3,563	3,247
General rates	28,946	28,098	28,946	28,098
Organics	1,744	1,625	1,744	1,625
Recycling	2,281	2,133	2,281	2,133
Supplementary rates and rate adjustments	275	224	275	224
Total rates and charges	36,835	35,354	36,835	35,354

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation was first applied in the rating year commencing 1 July 2021.

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Animal registrations	387	469	387	469
Health fees	182	100	182	100
Infringements and costs	538	172	538	172
Land information certificates	34	33	34	33
Town planning fees	378	325	378	325
Vehicle Crossing	58	63	58	63
Total statutory fees and fines	1,577	1,162	1,577	1,162

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

3.3 User fees

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Aged and health services	1,216	1,264	1,216	1,264
Building services	446	382	446	382
Cemetery	352	341	352	341
Child care/children's programs	2,720	2,778	2,720	2,778
Engineering fee	140	175	140	175
External private works	33	30	33	30
Library	31	67	31	67
Livestock exchange fees	792	466	-	2
Other fees and charges	271	275	271	275
Parking	220	262	220	262
Performing arts & culture	415	245	415	245
Regional certification	2	4	2	4
Rental properties	603	439	603	439
Waste management services	2,206	3,354	2,206	3,354
Wangaratta Sports and Aquatic Centre	1,584	791	1,584	791
Total user fees	11,031	10,873	10,239	10,409

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

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

3.4 Funding from other levels of government

Grants were received in respect of the following :

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Summary of grants				
Commonwealth funded grants	19,409	19,716	19,409	19,716
State funded grants	10,389	9,463	10,389	9,463
Total grants received	29,798	29,179	29,798	29,179

(a) Operating Grants

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Recurrent - Commonwealth Government				
Financial Assistance Grants	10,145	7,591	10,145	7,591
Aged & Community Care - Packaged Care	6,498	6,516	6,498	6,516
Recurrent - State Government				
Emergency	-	133	-	133
Building	75	75	75	75
Compliance	68	69	68	69
Environmental health	42	17	42	17
Libraries	251	250	251	250
Family and early childhood services	423	539	423	539
Culture and recreation	115	115	115	115
Maternal and child health	600	561	600	561
Youth Services	57	25	57	25
Aged and disability	580	573	580	573
Total recurrent operating grants	18,854	16,464	18,854	16,464

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Non-recurrent - Commonwealth Government				
Bushfire Emergency Assistance	102	320	102	320
Culture and recreation	101	104	101	104
Events	38	21	38	21
Pest Animals and Weed Management	-	697	-	697
Non-recurrent - State Government				
Working for Victoria	113	1,263	113	1,263
Gun club rehabilitation	640	500	640	500
Cultural development	423	697	423	697
Kerbside reform	-	284	-	284
Bushfire Emergency Assistance	-	178	-	178
Environmental enhancement	67	62	67	62
Community wellbeing	647	43	647	43
Economic development	424	67	424	67
Events	18	51	18	51
Gallery	176	68	176	68
Maternal and child health	-	5	-	5
Childrens services	105	47	105	47
Library	-	25	-	25
Aged and disability	10	-	10	-
Other	150	39	150	39
Total non-recurrent operating grants	3,014	4,471	3,014	4,471
Total operating grants	21,868	20,935	21,868	20,935

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

3.4 Funding from other levels of government (cont')

(b) Capital Grants

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Recurrent - Commonwealth Government				
Roads to recovery	1,386	1,554	1,386	1,554
Total recurrent capital grants	1,386	1,554	1,386	1,554
Non-recurrent - Commonwealth Government				
Recreational, leisure and community facilities	87	2,106	87	2,106
Parks, open space and streetscapes	312	188	312	188
Aerodromes	-	358	-	358
Other Infrastructure	740	260	740	260
Non-recurrent - State Government				
Land improvements	16	500	16	500
Bridges	696	169	696	169
Drainage	-	280	-	280
Library books	8	-	8	-
Roads	351	751	351	751
Footpaths and cycleways	154	122	154	122
Recreational, leisure and community facilities	121	614	121	614
Waste management	54	-	54	-
Parks, open space and streetscapes	2,565	1,341	2,565	1,341
Aerodromes	103	-	103	-
Other Infrastructure	1,337	-	1,337	-
Total non-recurrent capital grants	6,544	6,689	6,544	6,689
Total capital grants	7,930	8,243	7,930	8,243

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Operating				
Balance at start of year	1,080	571	1,080	571
Received during the financial year and remained unspent at balance date	326	1,056	326	1,056
Received in prior years and spent during the financial year	(1,050)	(547)	(1,050)	(547)
Balance at year end	356	1,080	356	1,080
Capital				
Balance at start of year	8,960	414	8,960	414
Received during the financial year and remained unspent at balance date	10,181	8,960	10,181	8,960
Received in prior years and spent during the financial year	(7,125)	(414)	(7,125)	(414)
Balance at year end	12,016	8,960	12,016	8,960

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

(d) Recognition of grant income

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

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

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

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

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
General purpose	10,145	7,591	10,145	7,591
Specific purpose grants to acquire non-financial assets	7,581	8,244	7,581	8,244
Other specific purpose grants	9,341	9,532	9,341	9,532
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>				
Specific purpose grants	2,731	3,812	2,731	3,812
	29,798	29,179	29,798	29,179

3.5 Contributions

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Monetary	756	1,077	756	1,077
Non-monetary	2,962	1,825	2,962	1,825
Total contributions	3,718	2,902	3,718	2,902

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

Drainage	967	497	967	497
Paths	438	53	438	53
Roads (including Kerbing)	1,557	1,275	1,557	1,275
Total non-monetary contributions	2,962	1,825	2,962	1,825

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

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Proceeds of sale	314	2,053	314	2,053
Written down value of assets disposed	(955)	(1,659)	(955)	(1,659)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(641)	394	(641)	394

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

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3.7 Other income

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Interest	314	116	314	116
Reimbursements - other	343	196	343	196
Reimbursements - Natural disasters	-	2,055	-	2,055
Increase in provision for landfill arising from changes in discount rates	2,132	1,604	2,132	1,604
Found Assets - Paths & Artwork Assets	41	293	41	293
Fair Value Movement - Financial Assets	4	244	4	244
Other	376	174	374	172
Total other income	3,210	4,682	3,208	4,680

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 (a) Employee costs

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Wages and salaries	21,431	21,310	21,200	21,134
Annual leave and long service leave	3,129	3,253	3,119	3,245
WorkCover	396	267	395	266
Superannuation	2,440	2,194	2,418	2,178
Fringe benefits tax	86	85	86	85
Other	359	310	359	310
Total employee costs	27,841	27,419	27,577	27,218

(b) Superannuation

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Council made contributions to the following funds:				
Defined benefit fund				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	51	57	51	57
	51	57	51	57
Accumulation funds				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,125	1,110	1,125	1,110
Employer contributions - other funds	1,215	981	1,215	981
	2,340	2,091	2,340	2,091
Employer contributions payable at reporting date.	165	129	165	129

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

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

4.2 Materials and services

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Advertising and promotion	533	204	533	204
Bank charges	107	92	107	92
Brokerage fees - HACC	-	113	-	113
Building maintenance	144	45	144	45
Community grants and contributions	765	766	765	766
Consultants	906	904	906	904
Contract payments	7,400	6,699	7,400	6,699
Insurance	638	616	638	616
Legal expenses	74	63	74	63
Levies and licences	1,607	1,145	1,607	1,145
Livestock exchange	133	185	-	-
Minor equipment	190	204	190	204
Natural disasters	-	25	-	25
Other materials and services	5,612	2,675	5,612	2,675
Packaged care brokerage	3,018	2,501	3,018	2,501
Packaged care unspent funds transferred	445	571	445	571
Plant and equipment maintenance	1	7	1	7
Plant operating	2,012	4,303	2,012	4,303
Postage	85	75	85	75
Printing and stationery	56	54	56	54
Security	157	198	157	198
Software maintenance	1,174	1,111	1,174	1,111
Staff development	445	327	445	327
Subscriptions & publications	2	3	2	3
Telephone	360	267	360	267
Utilities	1,493	1,378	1,493	1,378
Valuation contract	1	49	1	49
Total materials and services	27,358	24,580	27,225	24,395

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

4.3 Depreciation

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Property	1,890	1,183	1,890	1,183
Plant and equipment	2,615	2,634	2,586	2,608
Infrastructure	14,417	12,622	14,417	12,622
Total depreciation	18,922	16,439	18,893	16,413

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

4.4 Amortisation - Intangible assets

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Landfill airspace	1,659	967	1,659	967
Total Amortisation - Intangible assets	1,659	967	1,659	967

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4.5 Amortisation - Right of use assets

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Property	14	13	-	-
Vehicles	243	248	243	248
Total Amortisation - Right of use assets	257	261	243	248

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

4.6 Bad and doubtful debts

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Parking fine debtors	102	137	102	137
Other debtors	12	73	12	73
Total bad and doubtful debts	114	210	114	210

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Movement in provisions for doubtful debts				
Balance at the beginning of the year	443	249	443	249
New provisions recognised during the year	114	210	114	210
Amounts already provided for and written off as uncollectible	(62)	(16)	(62)	(16)
Balance at end of year	495	443	495	443

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

4.7 Borrowing costs

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest - Borrowings	666	650	666	650
Total borrowing costs	666	650	666	650

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

4.8 Finance Costs - Leases

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest - Lease Liabilities	28	37	24	33
Total finance costs	28	37	24	33

4.9 Other expenses

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	54	30	54	30
Auditors' remuneration - Internal Audit	24	30	24	30
Councillors' allowances	294	249	294	249
Write off of non-capital items from WIP	2,749	2,514	2,749	2,514
Recognition of additional landfill provision - closed sites	4,264	4,449	4,264	4,449
Prior period accumulated surplus correction	-	878	-	878
Pension rebate -Recycling	45	47	45	47
New industry rate assistance	6	5	6	5
Asset Adjustments	-	840	-	840
MAV Workcare Wind Down Costs	223	-	223	-
Others	(147)	-	(244)	-
Total other expenses	7,512	9,042	7,415	9,042

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Note 5 Our financial position

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
5.1 Financial assets				
(a) Cash and cash equivalents				
Cash on hand	4	6	4	6
Cash at bank	2,884	9,457	2,417	9,113
Money market at call account	17,092	25,405	17,092	25,405
Total cash and cash equivalents	19,980	34,868	19,513	34,524
(b) Other financial assets				
Term deposits - current	31,000	11,000	31,000	11,000
Municipal Association Purchasing Scheme (MAPS) shares - non-current	258	254	258	254
Total other financial assets	31,258	11,254	31,258	11,254
Total financial assets	51,238	46,122	50,771	45,778

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
- Trust funds and deposits (Note 5.3)	2,102	2,005	2,102	2,005
- Grants (Note 3.4)	12,372	10,040	12,372	10,040
- Unearned income (Note 5.3)	1,018	2,891	1,018	2,891
Total restricted funds	15,492	14,936	15,492	14,936
Total unrestricted cash and cash equivalents	4,488	19,932	4,021	19,588

Intended allocations

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
- reserve funds allocated for specific future purposes (Note 9.1(b))	27,380	22,382	27,380	22,382
Total funds subject to intended allocations	27,380	22,382	27,380	22,382

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

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

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

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Note 5 Our financial position (cont'd)

5.1 Financial assets (cont'd)

(c) Trade and other receivables

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
<i>Statutory receivables</i>				
Rates and garbage debtors	993	1,185	993	1,185
Fire services property levy	165	172	165	172
Cemetery	57	49	57	49
Parking and animal infringement debtors	1,032	779	1,032	779
Less provision for doubtful debts - parking infringements	(442)	(340)	(442)	(340)
Interest on rates and garbage receivable and investments	145	44	145	44
Net GST receivable	342	384	342	384
 Livestock Exchange	73	28	-	-
Other debtors	1,320	3,320	1,320	3,320
Less provision for doubtful debts - other debtors	(53)	(103)	(53)	(103)
Total trade and other receivables	3,632	5,518	3,559	5,490

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

(d) Ageing of Receivables

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current (not yet due)	1,162	2,581	1,089	2,553
Past due by up to 30 days	113	223	113	223
Past due between 31 and 180 days	118	544	118	544
Total trade and other receivables	1,393	3,348	1,320	3,320

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$53k (2021: \$128k) were impaired. The amount of the provision raised against these debtors was \$53k (2021: \$103k). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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Note 5 Our financial position (cont'd)

5.2 Non-financial assets

(a) Inventories

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Inventories held for distribution	5	7	2	2
Total inventories	5	7	2	2

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Prepayments	1,270	1,178	1,270	1,178
Accrued income	292	26	292	26
Total other assets	1,562	1,204	1,562	1,204

(c) Intangible assets

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Landfill air space	902	2,562	902	2,562
Total intangible assets	902	2,562	902	2,562
	Landfill \$'000	Total \$'000	Landfill \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2021	4,538	3,510	4,538	3,510
Other additions	-	1,028	-	1,028
Balance at 30 June 2022	4,538	4,538	4,538	4,538
Accumulated amortisation and impairment				
Balance at 1 July 2021	1,976	1,009	1,976	1,009
Amortisation expense	1,660	967	1,660	967
Balance at 30 June 2022	3,636	1,976	3,636	1,976
Net book value at 30 June 2021	2,562	2,501	2,562	2,501
Net book value at 30 June 2022	902	2,562	902	2,562

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

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Note 5 Our financial position (cont'd)

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

(a) Trade and other payables

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<i>Non-statutory payables</i>				
Materials and contracts	7,321	5,805	7,207	5,785
Employee costs	462	468	461	467
Accrued expenses	444	654	432	651
<i>Statutory payables</i>				
June BAS Livestock	13	16	-	-
Total trade and other payables	8,240	6,943	8,100	6,903

(b) Trust funds and deposits

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Fire services levy	318	528	318	528
Retention contract deposits	524	379	524	379
Refundable subdivision securities	753	616	753	616
Wangaratta Performing Arts Centre	449	442	449	442
Other	58	40	58	40
Total trust funds and deposits	2,102	2,005	2,102	2,005

(c) Unearned income/ revenue

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Grants received in advance - operating	356	1,080	356	1,080
Grants received in advance - capital	12,016	8,960	12,016	8,960
Other (Funding held for Aged & Disability customers)	1,018	2,891	1,018	2,891
Total unearned income/revenue	13,390	12,931	13,390	12,931

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

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

Purpose and nature of items

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

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

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

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Note 5 Our financial position (cont'd)

5.4 Interest-bearing liabilities

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current				
Borrowings - secured	2,683	2,688	2,683	2,688
	2,683	2,688	2,683	2,688
Non-current				
Treasury Corporation of Victoria borrowings - secured	5,783	7,052	5,783	7,052
Borrowings - secured	21,912	22,326	21,912	22,326
	27,695	29,378	27,695	29,378
Total	30,378	32,066	30,378	32,066

Borrowings are secured by general rates.

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

Not later than one year	2,683	2,688	2,683	2,688
Later than one year and not later than five years	17,865	17,418	17,865	17,418
Later than five years	9,830	11,960	9,830	11,960
	30,378	32,066	30,378	32,066

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

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

5.5 Provisions

	Employee \$ '000	Landfill restoration \$ '000	Total \$ '000
2022			
Balance at beginning of the financial year	6,847	21,339	28,186
Additional provisions	2,050	4,263	6,313
Amounts used	(1,588)	(239)	(1,827)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(186)	(2,132)	(2,318)
Balance at the end of the financial year	7,123	23,231	30,354
2021			
Balance at beginning of the financial year	6,221	19,845	26,066
Additional provisions	2,200	5,420	7,620
Amounts used	(1,521)	(2,375)	(3,896)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(53)	(1,551)	(1,604)
Balance at the end of the financial year	6,847	21,339	28,186

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Note 5 Our financial position (cont'd)

5.5 Provisions (cont'd)

(a) Employee provisions

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be wholly settled within 12 months				
Annual leave	2,436	2,260	2,414	2,239
Long service leave	290	247	290	247
Accumulated time	296	275	296	275
Time accrued	8	3	-	-
	3,030	2,785	3,000	2,761
Current provisions expected to be wholly settled after 12 months				
Annual leave	285	346	285	346
Long service leave	3,029	3,100	3,029	3,100
	3,314	3,446	3,314	3,446
Total current employee provisions	6,344	6,231	6,314	6,207
Non-current				
Long service leave	814	641	809	640
Total non-current employee provisions	814	641	809	640
Aggregate carrying amount of employee provisions:				
Current	6,344	6,231	6,314	6,207
Non-current	814	641	809	640
Total aggregate carrying amount of employee provisions	7,158	6,872	7,123	6,847

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
- discount rate	3.69%	1.49%	3.69%	1.49%
- inflation rate	1.50%	1.50%	1.50%	1.50%

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Note 5 Our financial position (cont'd)

5.5 Provisions (cont'd)

(b) Landfill restoration

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current	-	154	-	154
Non-current	23,229	21,185	23,229	21,185
	23,229	21,339	23,229	21,339

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

Key assumptions:

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
- discount rate	3.61%-5.63%	0.18% - 4.01%	3.61%-5.63%	0.18% - 4.01%
- index rate	6.01%	2.39%	6.01%	2.39%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2022.

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Bank overdraft	400	400	400	400
Credit card facilities	213	213	213	213
Treasury Corporation of Victoria facilities	5,783	7,052	5,783	7,052
Loans	24,595	25,014	24,595	25,014
Total facilities	30,991	32,679	30,991	32,679
Used facilities	30,427	32,091	30,427	32,091
Unused facilities	564	588	564	588

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Note 5 Our financial position (cont'd)

5.7 Commitments

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

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

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Note 5 Our financial position (cont'd)

5.7 Commitments

(a) Commitments for expenditure

2021	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Cleaning	210	105	-	-	315
Co Store Car Park	476	485	1,505	4,362	6,828
Environmental Health Services	115	115	-	-	230
Environmental Monitoring Bowser Landfill	25	-	-	-	25
Grit and Resilience	27	24	-	-	51
High Country Library Network	328	328	984	1,312	2,952
IT Licences	1,285	799	833	-	2,917
Payroll Software	41	41	-	-	82
Pound Services	175	88	-	-	263
Recycling Contract	1,440	-	-	-	1,440
Road Condition Assessments	44	-	-	-	44
Security	96	96	-	-	192
Start Up Shake Up	40	3	-	-	43
Survey Services	26	26	26	-	78
Total	4,328	2,110	3,348	5,674	15,460
Capital					
Adventure playground and parkour play space	1,176	-	-	-	1,176
Bowser Cell Capping	147	-	-	-	147
Bryces Bridge Peipers Lane Whitfield	239	-	-	-	239
Construction of Fisher Lane	50	-	-	-	50
Construction of Waldara Park Path	134	-	-	-	134
Demolition, Removal, Disposal of Buildings & Pools	187	-	-	-	187
Eldorado Infrastructure upgrade	217	-	-	-	217
ICT Strategy	321	162	443	-	926
Lighting North Wangaratta Recreation Reserve	46	-	-	-	46
Major Patching Asphalt Works	40	-	-	-	40
Ned Kelly Glenrowan Project	250	-	-	-	250
Reconstruction of Sandford Road	394	-	310	-	704
Wangaratta Aerodrome - Fire Protection System	1,268	-	753	-	2,021
Wangaratta Clay Target Club Site Rehabilitation	1,113	-	-	-	1,113
Wareena Park Building Project	84	-	-	-	84
Wild Dog and Deer Fencing Materials	258	-	-	-	258
Wilson Road Levee upgrade	74	-	-	-	74
Total	5,998	162	1,506	-	7,666

(b) Operating lease receivables

Operating lease receivables

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

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

	Consolidated		Council	
	2022	2020	2022	2021
	\$'000	\$'000	\$'000	\$'000
Not later than one year	426	386	426	386
Later than one year and not later than five years	144	448	144	448
Later than five years	382	448	382	448
	952	1,282	952	1,282

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Note 5 Our financial position (cont'd)

5.8 Leases

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

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

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

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

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

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

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

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

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

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

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

Right-of-Use Assets

	Consolidated			
	\$'000	\$'000	\$'000	\$'000
	Property	Vehicles	Other, etc.	Total
Balance at 1 July 2020	108	956	-	1,064
Amortisation charge	(13)	(248)	-	(261)
Balance at 30 June 2021	95	708	-	803
Balance at 1 July 2021	95	708	-	803
Amortisation charge	(14)	(243)	-	(257)
Balance at 30 June 2022	81	465	-	546

	Council			
	\$'000	\$'000	\$'000	\$'000
	Property	Vehicles	Other, etc.	Total
Balance at 1 July 2020	-	956	-	956
Amortisation charge	-	(248)	-	(248)
Balance at 30 June 2021	-	708	-	708
Balance at 1 July 2021	-	708	-	708
Amortisation charge	-	(243)	-	(243)
Balance at 30 June 2022	-	465	-	465

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Note 5 Our financial position (cont'd)

5.8 Leases (cont'd)

Lease Liabilities

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows				
Less than one year	249	274	237	263
One to five years	331	581	273	494
More than five years	17	-	-	-
Total undiscounted lease liabilities as at 30 June:	597	855	510	757
Lease liabilities included in the Balance Sheet at 30 June:				
Current	234	251	222	240
Non-current	338	572	263	485
Total lease liabilities	572	823	485	725

Short-term and low value leases

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Expenses relating to:				
Leases of low value assets	196	253	196	253

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

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Payable:				
Within one year	241	260	229	249
Later than one year but not later than five years	446	338	388	251
Total lease commitments	687	598	617	500

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Note 6 Assets we manage

6.1 Non current assets classified as held for sale

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at start of year	1,658	2,386	1,658	2,386
Less assets disposed	(245)	(859)	(245)	(859)
Assets transferred from IPP&E	357	-	357	-
Revaluation	(277)	131	(277)	131
Total non current assets classified as held for sale	1,493	1,658	1,493	1,658

At 30 June 2022 Non-Current Assets held for sale include industrial land \$845,780, remaining part of the old Ovens College site of \$347,200, proposed logistics facility \$276,390 and Community Centre \$23,220

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

For the Year Ended 30 June 2022

Summary of property, infrastructure, plant and equipment

Council	Carrying amount 30 June 2021		Additions		Contributions		Found Assets		Revaluation		Depreciation		Disposal		Write-off		Transfers		Transfers WIP		Carrying amount 30 June 2022	
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
Property	108,729		-		-		-		3,456		(1,890)		(463)		-		(357)		691		110,166	
Plant and equipment	13,267		-		-		41		126		(2,586)		(31)		-		-		1,534		12,351	
Infrastructure	478,993		-		-		2,962		-		(14,417)		(190)		-		-		26,329		493,677	
Work in progress	45,783		20,762		-		-		(30)		-		-		(2,749)		-		(28,554)		35,212	
	646,772		20,762		2,962		41		3,552		(18,893)		(684)		(2,749)		(357)		-		651,406	

Consolidated / Council	Opening WIP	Additions	Write-off	Transfers	Revaluation	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	10,984	3,992	(2,170)	(7,107)	(30)	5,669
Plant and equipment	1,190	2,231	(275)	(1,679)	-	1,467
Infrastructure	33,609	14,539	(304)	(19,768)	-	28,076
Total	45,783	20,762	(2,749)	(28,554)	(30)	35,212

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

(a) Property
Council

	Land - specialised	Land - non specialised	Land improvements	Total Land & Land Improvements	Heritage buildings	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	23,754	35,696	19,785	79,235	2,751	96,243	98,994	10,984	189,213
Accumulated depreciation at 1 July 2021	-	-	(12,250)	(12,250)	(2,384)	(54,866)	(57,250)	-	(69,500)
	23,754	35,696	7,535	66,985	367	41,377	41,744	10,984	119,713
Movements in fair value									
Additions	-	-	-	-	-	-	-	3,992	3,992
Contributions	-	-	-	-	-	-	-	-	-
Found Assets	-	-	-	-	-	-	-	-	-
Revaluation	-	608	-	608	113	3,793	3,906	(30)	4,484
Disposal	-	-	-	-	-	(2,920)	(2,920)	-	(2,920)
Transfer to Assets Held for Sale	-	(357)	-	(357)	-	-	-	-	(357)
Write-off	-	-	-	-	-	-	-	(2,170)	(2,170)
Transfers WIP	-	-	438	438	15	238	253	(7,107)	(6,416)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
	-	251	438	689	128	1,111	1,239	(5,315)	(3,387)
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	(324)	(324)	(12)	(1,554)	(1,566)	-	(1,890)
Revaluation	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	2,457	2,457	-	2,457
Impairment losses recognised in operating result	-	-	-	-	-	(1,058)	(1,058)	-	(1,058)
Transfers	-	-	-	-	-	-	-	-	-
	-	-	(324)	(324)	(12)	(155)	(167)	-	(491)
At fair value 30 June 2022	23,754	35,947	20,223	79,924	2,879	97,354	100,233	5,669	185,826
Accumulated depreciation at 30 June 2022	-	-	(12,574)	(12,574)	(2,396)	(55,021)	(57,417)	-	(69,991)
Carrying amount	23,754	35,947	7,649	67,350	483	42,333	42,816	5,669	115,835

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

(b) Plant and Equipment

Consolidated	Plant machinery and equipment					Fixtures fittings and furniture			Computers and telecomms		Library books		Art Collection		Total plant and equipment		Work in Progress		Total plant and equipment	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	23,134	1,725	4,593	1,752	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	32,969	32,969	1,190	1,190	34,159	34,159
Accumulated depreciation at 1 July 2021	(13,668)	(1,084)	(3,689)	(1,116)	-	-	-	-	-	-	-	-	-	-	(19,557)	(19,557)	-	-	(19,557)	(19,557)
	9,466	641	904	636	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	13,412	13,412	1,190	1,190	14,602	14,602
Movements in fair value																				
Additions	230	-	-	-	-	-	-	-	-	-	-	-	-	-	230	230	2,231	2,231	2,461	2,461
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Found Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41	41	-	-	41	41
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	122	122	-	-	122	122
Disposal	(136)	-	-	(298)	-	-	-	-	-	-	-	-	-	-	(434)	(434)	-	-	(434)	(434)
Write-off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(275)	(275)	(275)	(275)
Transfers WIP	888	-	453	193	-	-	-	-	-	-	-	-	-	-	1,534	1,534	(1,679)	(1,679)	(145)	(145)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	982	-	453	17	41	41	41	41	41	41	41	41	41	41	1,493	1,493	277	277	1,770	1,770
Movements in accumulated depreciation																				
Depreciation and amortisation	(1,925)	(72)	(457)	(161)	-	-	-	-	-	-	-	-	-	-	(2,615)	(2,615)	-	-	(2,615)	(2,615)
Revaluation	-	-	-	4	-	-	-	-	-	-	-	-	-	-	4	4	-	-	4	4
Accumulated depreciation of disposals	105	-	-	298	-	-	-	-	-	-	-	-	-	-	403	403	-	-	403	403
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(1,820)	(72)	(457)	141	-	-	-	-	-	-	-	-	-	-	(2,208)	(2,208)	-	-	(2,208)	(2,208)
At fair value 30 June 2022	24,116	1,725	5,046	1,769	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	34,462	34,462	1,467	1,467	35,929	35,929
Accumulated depreciation at 30 June 2022	(15,488)	(1,156)	(4,146)	(975)	-	-	-	-	-	-	-	-	-	-	(21,765)	(21,765)	-	-	(21,765)	(21,765)
Carrying amount	8,628	569	900	794	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	12,697	12,697	1,467	1,467	14,164	14,164

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

(b) Plant and Equipment (cont'd)

Council	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Art Collection	Total plant and equipment	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	22,934	1,725	4,593	1,752	1,765	32,769	1,190	33,959
Accumulated depreciation at 1 July 2021	(13,613)	(1,084)	(3,689)	(1,116)	-	(19,502)	-	(19,502)
	9,321	641	904	636	1,765	13,267	1,190	14,457
Movements in fair value								
Additions	-	-	-	-	-	-	2,231	2,231
Contributions	-	-	-	-	-	-	-	-
Found Assets	-	-	-	-	41	41	-	41
Revaluation	-	-	-	122	-	122	-	122
Disposal	(136)	-	-	(298)	-	(434)	-	(434)
Write-off	-	-	-	-	-	-	(275)	(275)
Transfers	888	-	453	193	-	1,534	(1,679)	(145)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
	752	-	453	17	41	1,263	277	1,540
Movements in accumulated depreciation								
Depreciation and amortisation	(1,896)	(72)	(457)	(161)	-	(2,586)	-	(2,586)
Revaluation	-	-	-	4	-	4	-	4
Accumulated depreciation of disposals	105	-	-	298	-	403	-	403
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
	(1,791)	(72)	(457)	141	-	(2,179)	-	(2,179)
At fair value 30 June 2022	23,686	1,725	5,046	1,769	1,806	34,032	1,467	35,499
Accumulated depreciation at 30 June 2022	(15,404)	(1,156)	(4,146)	(975)	-	(21,681)	-	(21,681)
Carrying amount	8,282	569	900	794	1,806	12,351	1,467	13,818

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

(c) Infrastructure

Council	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 2021	405,449	109,499	28,864	53,881	44,767	21,082	12,062	6,729	3,555	53	33,609	719,551
Accumulated depreciation at 1 July 2021	(100,907)	(24,862)	(12,516)	(16,214)	(25,602)	(16,896)	(7,623)	(1,224)	(1,102)	(3)	-	(206,949)
	304,542	84,637	16,347	37,668	19,166	4,186	4,439	5,505	2,453	49	33,609	512,602
Movements in fair value												
Additions	-	-	-	-	-	-	-	-	-	-	14,539	14,539
Contributions	1,557	-	438	967	-	-	-	-	-	-	-	2,962
Found Assets	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	(34)	(351)	(191)	(13)	-	-	-	-	-	-	-	(589)
Write-off	-	-	-	-	-	-	-	-	-	-	(304)	(304)
Transfers	2,755	460	749	420	18,963	27	2,945	10	-	-	(19,768)	6,561
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
	4,278	109	996	1,374	18,963	27	2,945	10	-	-	(5,533)	23,169
Movements in accumulated depreciation												
Depreciation and amortisation	(8,812)	(1,224)	(984)	(773)	(1,323)	(302)	(817)	(135)	(45)	(2)	-	(14,417)
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	11	308	74	6	-	-	-	-	-	-	-	399
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
	(8,801)	(916)	(910)	(767)	(1,323)	(302)	(817)	(135)	(45)	(2)	-	(14,018)
At fair value 30 June 2022	409,727	109,608	29,860	55,255	63,730	21,109	15,007	6,739	3,555	53	28,076	742,720
Accumulated depreciation at 30 June 2022	(109,708)	(25,778)	(13,426)	(16,981)	(26,925)	(17,198)	(8,440)	(1,359)	(1,147)	(5)	-	(220,967)
Carrying amount	300,019	83,830	16,433	38,275	36,806	3,911	6,567	5,380	2,408	47	28,076	521,753

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

Acquisition

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

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

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

	Depreciation Period	Threshold Limit
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	Nil
Infrastructure		
road pavements and seals	80 years	10
road formation	200 years	10
road kerb, channel and minor culverts	110 years	10
bridges	20-80 years	10
footpaths	10-110 years	5
bikepaths	15-20 years	3
drainage	100 years	5
recreational, leisure and community facilities	10-100 years	5
parks, open space and streetscapes	10-100 years	5
waste management	1-11 years	5
off street car parks	80 years	5
aerodromes	80 years	5
other infrastructure	30 years	5
Intangibles	3 years	3-8

Land under roads

Council recognises land under roads it controls at fair value.

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

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Leasehold improvements

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

Valuation of land and buildings

Valuation of land and land improvements were undertaken in 2021 by a qualified independent valuer Martin Burns of Liquid Pacific Holding Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Valuation of Buildings was last undertaken in 2017 by a qualified independent valuer Valpac Pty Ltd. Management have undertaken a fair value assessment and determined a managerial revaluation using building indices. A formal revaluation of these assets will be conducted in 2022/23.

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

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

The date of the current valuation is detailed in the following table. An indexed adjustment was conducted in the current year for Council's building assets, this valuation was based on the building price index, a full revaluation of these assets will be conducted in 2022/23.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

Council	Level 1	Level2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Land	-	35,947	-	Jun-21
Specialised land	-	-	23,754	Jun-21
Land Improvements	-	-	7,649	Jun-21
Heritage Buildings	-	-	483	Jun-17
Buildings	-	-	42,333	Jun-17
Total	-	35,947	74,219	

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

Valuation of infrastructure

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2022 are as follows:

Council	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Roads	-	-	300,019	May-21
Bridges	-	-	83,830	May-21
Footpaths and cycleways	-	-	16,433	May-21
Drainage	-	-	38,275	May-21
Recreational, leisure and community facilities	-	-	36,806	May-21
Waste management	-	-	3,911	Jun-17
Parks, open space and streetscapes	-	-	6,567	May-21
Aerodromes	-	-	5,380	Jun-19
Off Street Car Parks	-	-	2,408	May-21
Other infrastructure	-	-	47	May-21
Total	-	-	493,676	

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 85% and 100%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0 and \$16 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$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 current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land

	2022	2021
	\$'000	\$'000
Land under roads	23,754	23,754
Total specialised land	23,754	23,754

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6.3 Investments in associates, joint arrangements and subsidiaries

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

Subsidiaries

Wangaratta Livestock Exchange

Background

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

	2022	2021
	\$'000	\$'000
Summarised financial information		
Summarised statement of comprehensive income		
Total income	794	477
Total expenses	536	430
Total comprehensive result	258	47
Summarised balance sheet		
Current assets	543	378
Non-current assets	429	241
Total assets	972	619
Current liabilities	182	75
Non-current liabilities	80	89
Total liabilities	262	164
Net Assets	710	455
Summarised statement of cash flows		
Net cash provided by/(used in) operating activities	277	114
Net cash provided by/(used in) investing activities	(139)	(69)
Net cash provided by/(used in) financing activities	(15)	(22)
Net increase/(decrease) in cash and cash equivalents	123	23

6.3 Investments in associates, joint arrangements and subsidiaries (cont'd)

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2022, and their income and expenses for that part of the reporting period in which control existed.

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

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

Entities consolidated into Council include:

Wangaratta Livestock Exchange Pty Ltd

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Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

The Rural City of Wangaratta is the parent entity.

Subsidiaries

Interests in subsidiaries are detailed in Note 6.3.

(b) Key Management Personnel

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

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

Councillors

1. Dean Rees (Mayor)
2. Harry Bussell (Deputy Mayor)
3. Dave Fuller
4. Harvey Benton
5. Ashlee Fitzpatrick
6. Irene Grant
7. Jack Herry

Executive Management

1. Brendan McGrath - Chief Executive Officer
2. Marcus Goonan - Director - Infrastructure
3. Jaime Chubb - Director Community Wellbeing (to 1 October 2021)
4. Sarah Brindley - Director Corporate Services
5. Stephen Swart - Director Development Services

Total Number of Councillors

Total of Chief Executive Officer and other Key Management Personnel

Total Number of Key Management Personnel

2022	2021
No.	No.
7	9
5	6
12	15

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits

Long-term benefits

Post employment benefits

Termination benefits

Total

2022	2021
\$'000	\$'000
1,174	1,413
21	42
77	98
39	7
1,311	1,560

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

\$0 - \$9,999

\$10,000 - \$19,999

\$20,000 - \$29,999

\$30,000 - \$39,999

\$40,000 - \$49,999

\$80,000 - \$89,999

\$90,000 - \$99,999

\$170,000 - \$179,999

\$200,000 - \$209,999

\$300,000 - \$309,999

\$310,000 - \$319,999

2022	2021
No.	No.
-	2
-	2
4	3
1	1
1	-
-	1
2	-
-	1
3	4
1	-
-	1
12	15

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Note 7 People and relationships (cont'd)

7.1 Council and key management remuneration (cont'd)

(d) Senior Officer Remuneration

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

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

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

Income Range:

\$151,000 - \$159,999

\$160,000 - \$169,999

\$170,000 - \$179,999

\$180,000 - \$189,999

2022	2021
No.	No.
2	2
2	1
1	-
-	1
5	4

2022	2021
\$'000	\$'000
815	657

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

7.2 Related party disclosure

(a) Transactions with related parties

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

1. Contributions paid to Tourism North East \$162,331 (2020/21 \$174,725).
2. Contributions and fees paid to LGPro Board \$49,525 (2020/21 \$43,211).
3. Fees paid to Goulburn Ovens Institute of TAFE \$1,399 (2020/21 \$0).
4. Contributions and fees paid to Springhurst Hall & Recreation Reserve Committee \$0 (2020/21 \$3,026).
5. Fees paid to Business Wangaratta \$0 (2020/21 \$165).
6. Contribution and fees paid to Community Accessibility \$0 (2020/21 \$64,111). A key management person is in management position at the related party.
7. Contributions and fees paid to Wangaratta Farmers Markets Inc \$5,000 (2020/21 \$11,000). A key management person is a member of the Committee of Management.
8. Contributions paid to Wangaratta Festival of Jazz & Blues \$14,300 (2020/21 \$0)
9. Fees paid to Fallons Bus Lines \$3,109 (2020/21 \$0)

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

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

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

(d) Commitments to/from related parties

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

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Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

Developer Contribution Plans (DCP's)

On 17 October 2019 the Minister for Planning approved the Wangaratta North-West Growth Area and Wangaratta South Growth Area DCP's. A DCP imposes a binding obligation on Council to provide the infrastructure set out in the DCP and also allows for the collection of levies (charges) on the residential and commercial developable areas. The future inflow of levies for the DCP's is expected to be \$30.24m and \$6.8m for the North-West and South Growth Areas DCP's respectively.

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Future superannuation contributions

There were no contributions outstanding and no loans to or from the above schemes as at 30 June 2022

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV Workcare

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

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Note 8 Managing uncertainties (cont'd)

8.1 Contingent assets and liabilities (cont'd)

(c) Guarantees for loans to other entities

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

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

(d) Development Contribution Plans (DCPs)

On 17 October 2019 the Minister for Planning approved the Wangaratta North-West Growth Area and Wangaratta South Growth Area DCPs. A DCP imposes a binding obligation on Council to provide the infrastructure set out in the DCP. It also allows for the collection of levies (referred to disclosure in contingent assets). The approved DCPs impose an obligation on Council to construct infrastructure of \$35.2m and \$6.6m for the North-West and South Growth Area DCPs respectively. Council is required to submit an annual return to the Minister for Planning to demonstrate the DCP funds expended. DCP funds expended up to 30 June 2022 are \$7,604,491.05 & \$2,706.25 on the North-West DCP & South DCP respectively. At 30 June 2022 Council has an obligation to construct infrastructure of \$36.9m and \$6.9m for the North-West and South Growth Area DCPs respectively.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

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Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

(c) Credit risk

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity disclosure analysis

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

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

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

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8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. 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

The Rural City of Wangaratta has been impacted by the Victorian Floods commencing 6 October 2022. The Victorian State Government has confirmed that Council has been included in the notification to the Commonwealth for the Victorian Floods. The Federal Government has provided advice that this disaster has been given the Australian Government Reference Number (AGRN) 1037 under the Disaster Recovery Funding Arrangements (DRFA). This provides funding to Council for the provision of emergency response and recovery assistance to the community and emergency work and immediate reconstruction works on public assets.

At the time of certification of the financial statements flood impact assessments are yet to be completed. Council is therefore currently unable to accurately measure the financial impact on Council owned assets.

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Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

Consolidated

2022

Property

Land and land improvements

33,297

331

33,628

Buildings

10,307

2,854

13,161

43,604

3,185

46,789

Plant & Equipment

Library books

293

(118)

175

Art Collection

467

-

467

760

(118)

642

Infrastructure

Roads

265,581

-

265,581

Bridges

73,744

-

73,744

Footpaths and cycleways

5,097

-

5,097

Drainage

20,990

-

20,990

Recreational, Leisure and community facilities

955

2

957

Parks, open space and streetscapes

1,947

-

1,947

Aerodromes

5,298

-

5,298

Offstreet car parks

1,877

-

1,877

375,489

2

375,491

Total asset revaluation reserves

419,853

3,069

422,922

2021

Property

Land and land improvements

24,934

8,363

33,297

Buildings

2,131

8,176

10,307

27,065

16,539

43,604

Plant & Equipment

Library books

-

293

293

Art Collection

475

(8)

467

475

284

759

Infrastructure

Roads

236,788

28,793

265,581

Bridges

55,185

18,559

73,744

Footpaths and cycleways

4,603

494

5,097

Drainage

24,892

(3,902)

20,990

Recreational, leisure and community facilities

125

830

955

Parks, open space and streetscapes

2,365

(418)

1,947

Aerodromes

5,300

(2)

5,298

Offstreet car parks

1,888

(11)

1,877

331,146

44,343

375,489

Total asset revaluation reserves

358,686

61,166

419,852

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

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Note 9 Other matters (cont'd)

9.1 Reserves (cont'd)

(b) Other reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2022				
Cemetery	122	587	(337)	372
Developers' contributions	90	-	-	90
Developers' contribution for recreation	375	262		637
CSNE integration	135			135
HACC	144	9	-	153
Industrial land	603	153		756
Performing arts centre	(1)	1		-
Replacement of plant	4,543	2,246	(381)	6,408
Replacement of plant - CSNE	4	-	-	4
Waste and Landfill	16,305	8,817	(6,297)	18,825
North Wangaratta Recreation Reserve	62		(62)	-
Total Other reserves	22,382	12,075	(7,077)	27,380
2021				
Cemetery	59	89	(27)	122
Loans	839	-	(839)	-
Developers' contributions	90	-	-	90
Developers' contribution for recreation	79	296	-	375
CSNE integration	135	-	-	135
HACC	435	-	(291)	144
Industrial land	(496)	1,208	(109)	603
Performing arts centre	113	41	(155)	(1)
Replacement of plant	3,450	2,298	(1,205)	4,543
Replacement of plant - CSNE	4	-	-	4
Regional playground	1	-	(1)	-
Waste and Landfill	13,745	9,765	(7,205)	16,305
Livestock selling complex	90	-	(90)	-
Unfunded superannuation	610	-	(610)	-
Municipal Fire & Emergency Mgt Resourcing	49	-	(49)	-
North Wangaratta Recreation Reserve	147	-	(85)	62
Wangaratta Showgrounds	33	-	(33)	-
WISAC	112	-	(112)	-
Total Other reserves	19,496	13,697	(10,810)	22,382

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Note 9 Other matters (cont'd)

9.1 Reserves (cont'd)

(b) Other reserves (cont'd)

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

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

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

The CSNE reserve supported the integration of Community Support North East into Council operations. There is no intended future allocation for this reserve and it is proposed to be reduced to nil in 2022/23. In doing so Council will verify that no statutory obligation exists in relation to this reserve that would prevent its reduction to nil.

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

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

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

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

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Surplus/(deficit) for the year	1,171	4,940	918	4,903
Depreciation and amortisation	20,838	17,667	20,795	17,627
Profit/(loss) on disposal of property, infrastructure, plant and equipment	641	394	641	394
Finance costs	694	693	690	683
Fair value adjustments	(2,228)	(1,769)	(2,217)	(1,769)
Recognition of additional landfill provision - closed sites	4,264	4,449	4,264	4,449
Impacts of asset revaluations	-	-	-	-
Assets written-off / impaired	2,749	2,514	2,749	2,514
Contributions - Non-monetary assets	(2,962)	(1,825)	(2,962)	(1,825)
Found Assets	(41)	(293)	(41)	(293)
Bad Debts	114	210	114	210
				-
Change in assets and liabilities:				-
(Increase)/decrease in trade and other receivables	1,772	1,510	1,817	1,502
(Increase)/decrease in other assets	(358)	(777)	(358)	(777)
(Increase)/decrease in inventories	2	(1)	-	-
Increase/(decrease) in trade and other payables	1,296	131	1,194	119
Increase/(decrease) in trust funds and deposits	154	427	143	427
(Decrease)/increase in unearned income/revenue	459	9,745	459	9,745
Increase/(decrease) in provisions	100	2,127	90	2,120
Increase/(decrease) in intangibles		61	-	61
Net cash provided by/(used in) operating activities	28,665	40,202	28,296	40,088

9.3 Superannuation

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

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%)).

Defined Benefit

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

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

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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 2021, 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 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns 4.75% pa

Salary information 2.75% pa

Price inflation (CPI) 2.25% pa.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns 5.5% pa

Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter

Price inflation (CPI) 3.0% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

9.3 Superannuation (cont'd)

Employer contributions

(a) Regular contributions

On the basis of the results of the 2021 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 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2022 triennial valuation.

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

(b) Funding calls

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

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

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

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

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

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

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The 2021 interim actuarial investigation surplus amounts

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

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

	2021 (Triennial) \$m	2020 (Interim) \$m
- A VBI Surplus	214.7	100.0
- A total service liability surplus	270.3	200.0
- A discounted accrued benefits surplus	285.2	217.8

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 2021.

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 2021.

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 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Scheme	Type of Scheme	Rate	2022	2021
			\$'000	\$'000
Vision super	Defined benefit	10.0% (2021:9.5%)	51	57
Vision super	Accumulation fund	10.0% (2021:9.5%)	2,340	2,091

Council made no unfunded liability payments to Vision Super in the 2021/22 Financial Year.

There were no contributions outstanding and no loans were issued from or to the above schemes as at 30 June 2022.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$106k.

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Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2021-22 year.

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

