



Rural City of  
**Wangaratta**

# Annual Report 2019 - 2020





# Welcome

Welcome to the 2019-2020 Annual Report for the Rural City of Wangaratta. The Local Government Act (1989) and the Local Government (Finance and Reporting) Regulations 2004 require Victorian councils to prepare an annual report in respect to each financial year. Our Annual Report outlines our performance against the objectives and goals contained within our Council Plan 2017–2021 and provides an overview of our operational and financial performance for the 2019-2020 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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# Rural City of Wangaratta

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

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

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

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

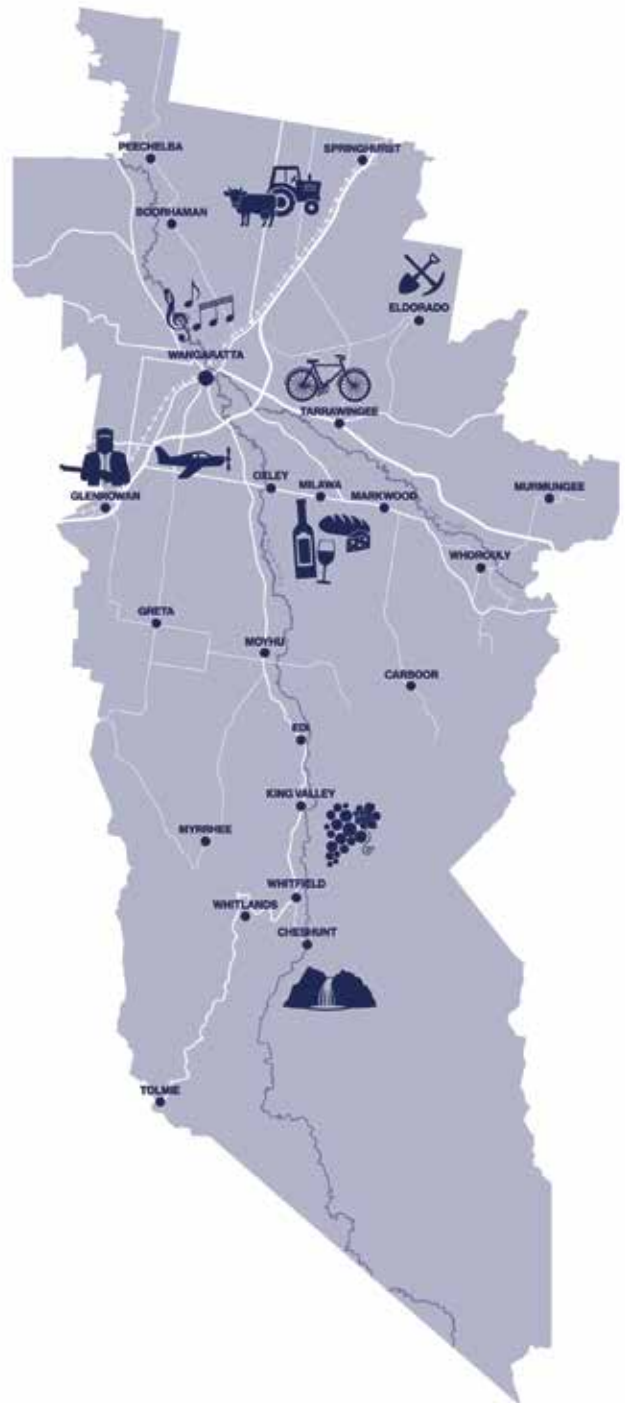
We're known for our waterways, our rugged beauty, surrounds of different landscapes as well as being home to some of Australia's best local produce.

Our industries include transport and logistics, health services, education and government agencies, small business and a nationally significant agricultural industry. Our community is a hub for recreational, commercial, educational, tourism and health facilities.

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

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

The Rural City of Wangaratta is where you can have it all. A quality lifestyle in a vibrant, safe and caring community, at a pace you can enjoy while balancing family and career aspirations. We're the Rural City of more than you can imagine, and that's what makes us a Rural City like no other.



## Our Vision

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

### Rural City of Wangaratta

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

Through responsible and informed planning we have built a community that protects our environment and showcases our natural beauty to its greatest potential. We have built roads that weave together

to become neighbourhoods that are home to families who feel connected to the people and places around them. Through our focus on the future we have been prepared for the challenges that have faced our community – we have grown stronger by adapting to a changing economy, we have built and maintained our infrastructure for coming generations, and we have positioned ourselves to be a destination that welcomes and attracts people from all over the world.

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

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

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

## Our Values

### Leadership

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

### Engagement

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

### Respect

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

### Progression

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



## Mayor's message

As this is the final Annual Report in the four-year cycle of the elected Councillors, I'd like to reflect on the achievements and challenges over this period of time.

I'd like to acknowledge firstly the contribution of Cr Ruth Amery in her short time on Council before tragically passing away. Her loss affected us all and it is a credit to all Councillors that Cr Amery's legacy was respected while we welcomed Cr Ashlee Fitzpatrick to the team.

The biggest shift over the past four years has been an increase to our capital works delivery. Key projects like the Cruse Street extension, Wangaratta Railway Precinct Enhancement and Wangaratta Aquatics Project are transforming Wangaratta.

Capital Works in 2018/19 hit \$32.8m and in 2019/20 the total expenditure was \$36.3m.

There has also been a significant increase in gravel road re-sheeting in our regional areas, with spending at \$1.7m for the 2019/20 financial year.

Our community has seen significant challenges in the past two years, and certainly the worst of this came in 2020, with bushfires in January and Covid-19 restrictions beginning in March.

During the bushfires the Rural City of Wangaratta acted as a refuge for our own residents and those from neighbouring municipalities. Hundreds stayed at the Wangaratta Performing Arts and Convention Centre and Wangaratta Showgrounds, while pets and livestock were also catered for.

Some 1400 people registered with the Red Cross in the Rural City of Wangaratta, while 373 households received Personal Hardship Assistance Payments. Through funding from Bushfire Recovery Victoria Council was also able to offer rate relief to affected properties totalling \$486k.

I know our community, like all communities, has been hit hard by Covid-19. Council put in place community assistance packages aimed at helping those most in need, particularly with flexible payment options for rates.

It will be a long road to recovery from Covid-19 and I am confident our community spirit will help us emerge from these challenges.

**Cr Dean Rees**  
**Mayor**

## CEO's message

This past year has been a transformational one for the Rural City of Wangaratta, as our community faced new challenges and embarked on some exciting changes.

January's bushfires and the Covid-19 pandemic were undoubtedly the biggest challenges the Rural City of Wangaratta has faced for some time.

Economic impacts on small businesses and individuals continue to be felt from these emergencies. Council has made it our aim to assist those most in need throughout this time and that will continue to be our approach going forward. Financial assistance has been available throughout, however it is the social and community connection programs where Council has been able to play a significant role.

Projects like the Hello Project and #togetherwangcan have celebrated the positive stories in our community and sought to lift people up and bring us all together. We continue to look forward to a time when Council can reinstate our major events and smaller opportunities to physically get together with our community.

Four major projects took significant strides in 2019/20, with each of these to play a vital role in community recovery.

The Organics Processing plant was one of these, with this innovative project completed and commissioned. It means all of Wangaratta food and organic waste is now processed locally, putting us ahead of most of Victoria. The facility is also well placed to process organic waste from other municipalities, potentially creating a new source of income. Council's provision for rehabilitation of landfill sites has increased by almost \$4m in 2019/20 and we continue to encourage our community to embrace new and improved resource recovery initiatives to ensure the precious remaining space available in our landfill is only taken up by non-recyclable waste.

The Cruse Street extension was also completed, opening up development opportunities in Wangaratta North-West growth corridor.

Our Aquatics Project and Railway Precinct Enhancement Project were two major projects that took significant strides in 2019/20. More investment, events and jobs will come from these cutting edge projects which are transforming Wangaratta into a modern regional city.

Operationally, Council continues to sit in a strong position, while funding our largest capital works programs in history. Council has delivered a \$6.2m surplus in 2019/20, with an increase in free cash flows of \$1.519m. Council borrowed \$8.984m during 2019/20 and these borrowings further support Council's cash flow balances as we plan to deliver over \$32m of capital works in 2020/21. We have a great track record of securing grant funding for our capital works program and in 2019/20 Council attracted \$8.142m in State & Federal capital grants. Investing in the growth and enhancement of Wangaratta will benefit our community to deliver on a number of exciting projects.



**Brendan McGrath**  
*Chief Executive Officer*

# Financial Summary

Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this Report. Council manages over \$0.577 billion dollars in assets comprising of land, building and other infrastructure assets such as roads, footpaths, bridges, drainage and bike paths.

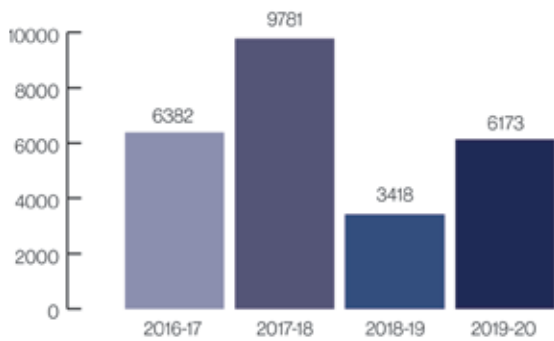
## Operating Position

Council achieved a surplus of \$6.173 million in 2019/2020. The adjusted underlying deficit of Council, after removing non-recurrent capital grants, monetary and non-monetary capital contributions is \$2.847 million. In 2019/20 Council had \$4.582 million of extraordinary, non-recurrent expenditure (eg increase in landfill provision and write off of non capital items). Council's adjusted underlying surplus would be \$2.095 million if these items were excluded.

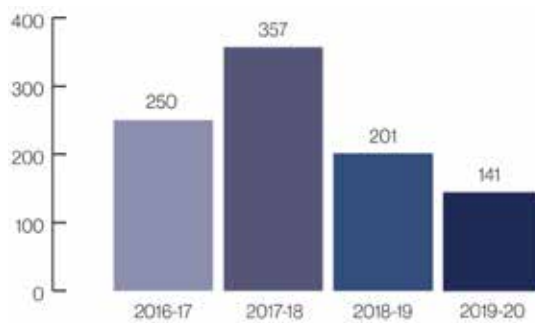
## Liquidity

Cash has decreased by 6% from the prior year mainly due to the funding of the capital works program. The working capital ratio, which assesses Council's ability to meet current commitments, is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 141 per cent is an indicator of satisfactory financial position and is in line with the expected target band of 100 per cent to 400 per cent.

### Surplus/(Deficit) \$'000



### Working Capital Ratio (%)





**Obligations**

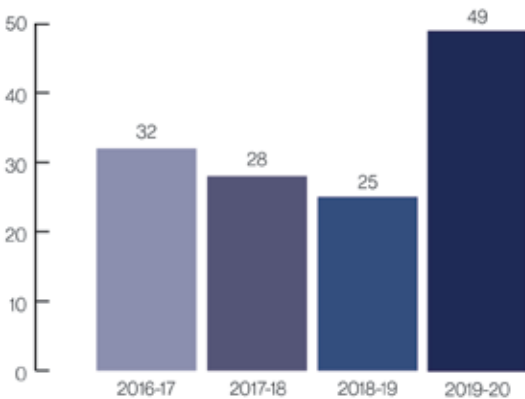
Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. At the end of the 2019/2020 financial year, Council's debt ratio, which is measured by comparing interest bearing loans and borrowings to rate revenue, was 49 per cent, which is within the expected target band of 20-60 per cent. Council's debt ratio is projected to worsen and be above 60 percent in the 2020/21 and later years. The 2020/21 Budget outlines Council's proposed borrowings reflects the decline in the debt ratio.

Council's asset renewal ratio, which is measured by comparing asset renewal and upgrade expenditure to depreciation, was 100 per cent, which is within the expected target band of 90-110 per cent. This reflects the increased provision of new infrastructure and the upgrade of existing assets that Council has undertaken during the 2019/2020 financial year.

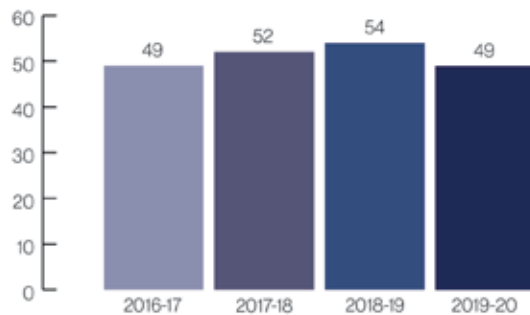
**Stability And Efficiency**

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 per cent for the 2019/2020 year, which is towards the mid end of the expected target band of 40-80 per cent. The average rate per property assessment was \$1,725.10.

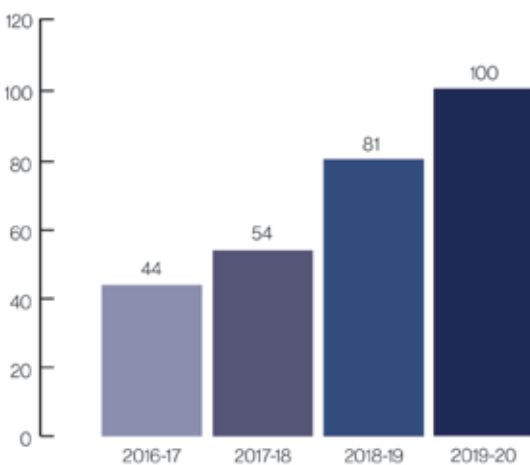
**Debt Ratio (%)**



**Rate Concentration (%)**



**Asset Renewal Ratio (%)**



## Financial Summary

### Economic Factors

#### Rate Capping

The Victorian Government imposed a rate cap on all Victorian councils of 2.50 per cent for the 2019/2020 year. Council did not seek a variation to the rate cap.

#### Labour Cost

Salary and Wage rate increases for the 2019/2020 year were as per Council Enterprise Bargaining Agreement of 1.5 per cent.

### Councillor Allowances

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

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

The Minister for Local Government approved an adjustment factor increase of 2 per cent to the Mayoral and Councillor allowances, effective 1 December 2019 under section 73B(4). At the end of 2019/2020, the Mayoral allowance was \$88,337 per annum and the Councillor allowance was \$28,550 per annum (plus an amount equivalent to the superannuation guarantee of 9.5 per cent).

Councillor	Allowance (\$)
Cr Harvey Benton	28,550
Cr Harry Bussell	28,550
Cr Ken Clarke OAM (Mayor July 2018 - 25 Nov 2018)	28,550
Cr Mark Currie	28,550
Cr Ashlee Fitzpatrick	28,550
Cr David Fuller	28,550
Cr Dean Rees (Mayor 26 Nov 2018 - Current)	88,337
<b>Total</b>	<b>259,637</b>

### Councillor Expenses

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

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

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

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

### Councillor Expenses 2019/20

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

Expenses	Cr Harvey Benton	Cr Harry Bussell	Cr Ken Clarke OAM	Cr Mark Currie	Cr Ashlee Fitzpatrick	Cr David Fuller	Cr Dean Rees	Total
Accommodation & Meals			80		272	115	388	855
Conferences & Seminars		73	910		1377		198	2,558
Telephone	216	216	216	216	216	216	216	1,512
Travelling		5,917	36		426	273	189	6,841
Meeting Expenses					55			55
Childcare								
Office Expenses								
Vehicle							12,745	12,745
<b>Total</b>	<b>216</b>	<b>6,206</b>	<b>1,242</b>	<b>216</b>	<b>2,346</b>	<b>604</b>	<b>13,736</b>	<b>24,566</b>

## Financial Summary

### Contracts

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

Under Section 186(5)(c) of the Act, in accordance with arrangements approved by the Minister for the purposes of this subsection, Council did not enter into any contract for works of \$200,000 or more, but did extend the following contract for goods/services valued at \$150,000 or more: High Country Library Network, extended for a further three year period to June 2023.

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

### Best Value

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

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

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



# Our Councillors

The Councillors were elected at the 2016 General Election.

Councillor Dean Rees was re-elected Mayor on 19 November 2019, with Councillor Dave Fuller elected Deputy Mayor, replacing Councillor Mark Currie.



**Mayor  
Cr Dean Rees**  
City Ward

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**Deputy Mayor  
Cr David Fuller**  
City Ward

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**Cr Ken Clarke OAM**  
City Ward

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0429 601 587



**Cr Harvey Benton**  
North Ward

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**Cr Mark Currie**  
Warby Ward

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0428 431 607



**Cr Harry Bussell**  
South Ward

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0429 475 863



**Cr Ashlee Fitzpatrick**  
City Ward

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# Our Committees

## Advisory Committees

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

The Advisory Committees for the Rural City of Wangaratta are:

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

## Special Committees

The Wangaratta Rural City Council has fifteen standing Special Committees.

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

The Special Committees for the Rural City of Wangaratta are:

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

# Our People

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



**Brendan McGrath**  
Chief Executive Officer



**Jaime Chubb**  
Director - Community Wellbeing

*Areas of responsibility*

- Arts Culture and Events
- Community and Recreation
- Marketing



**Stephen Swart**  
Director - Development Services

*Areas of responsibility*

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



**Sarah Brindley**  
Director - Corporate Services

*Areas of responsibility*

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



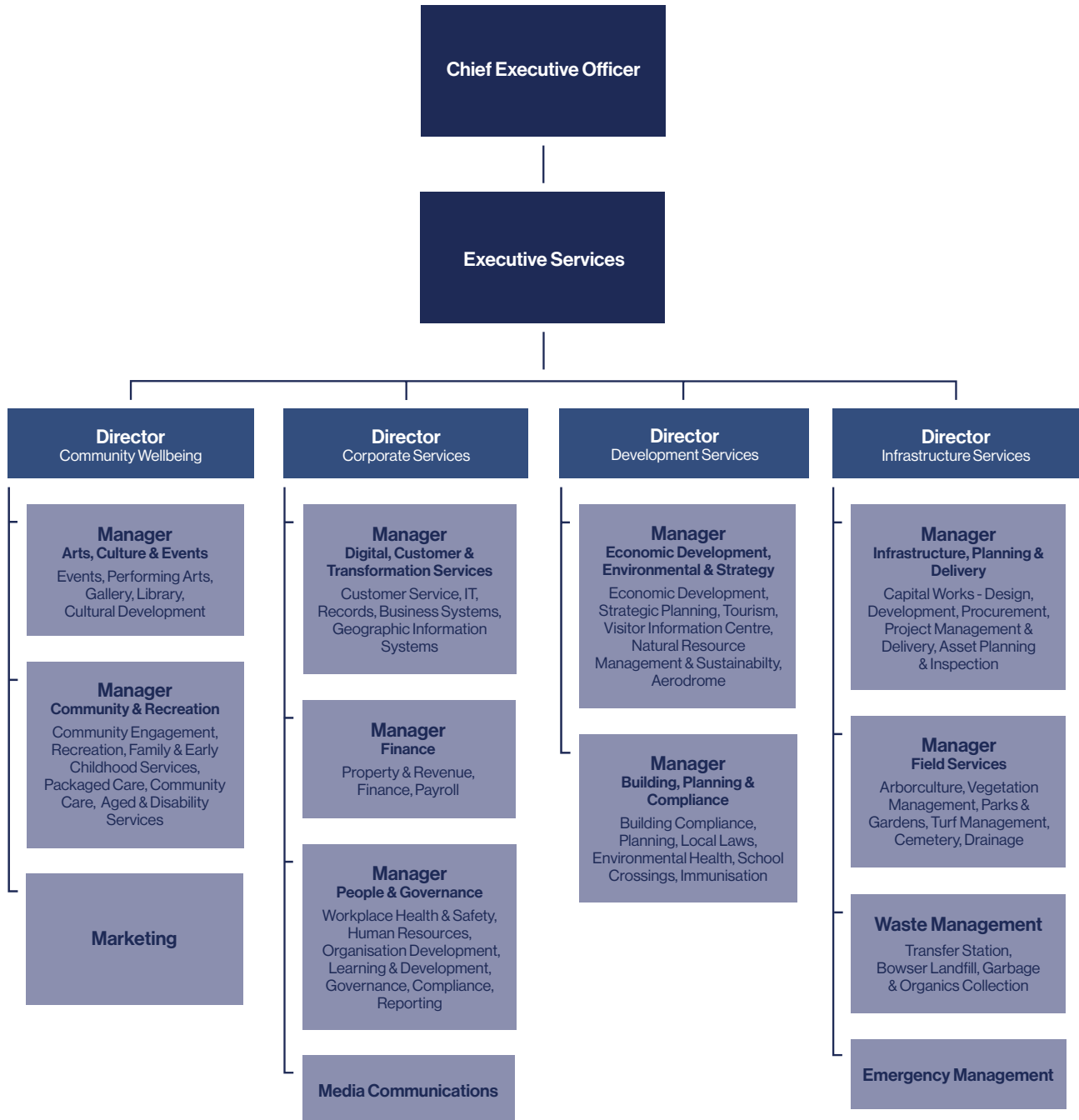
**Alan Clark**  
Director - Infrastructure Services

*Areas of responsibility*

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



# Organisational Structure



# Report of Operations



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

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

Our strategic objectives and strategies to further improve services and facilities are described in the council plan and budget against 5 pillars. They are the outcomes we are working to achieve in partnership with our community.

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

### **Strategic objective**

These are the outcomes that we hope our work will achieve over the life of the council plan. These are the outcomes that we hope our work will achieve over the life of the council plan.

### **Major initiatives**

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

### **Other achievements**

These cover some of the other achievements completed during the year.

### **Strategic Indicators and measures**

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

### **Service performance indicators**

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

### **Services**

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

# People and Culture

## Creating a Safe Workplace

We come to work to serve our community, and so we can return home to the people we treasure. Our commitment to safety and wellbeing is practiced everyday so we go home and go home as a whole person, unharmed.

In our constant drive to be safe we involve our staff in designated work group plans and initiatives, and listen closely to the feedback and ideas of our OHS Committee. In October 2019 we hosted James Woods, and heard and were amazed by the story of the day James let down his guard about safety, and how this changed his whole life. Over summer we hosted and cared for whole communities in our premises as they escaped summer bushfires, and took measures to protect our lungs against days of thick environmental smoke – wearing masks and working indoors when we could. Since March we have reshaped our work and workplaces to guard against the risk of the COVID19 Pandemic, with working from home, video meetings, redeployment to new tasks, changes to how we do our work and deliver services, extra cleaning, PPE, and social distancing. Through all this we have continued to improve our risk assessment skills and practices, and increased worksite inspections where we review, coach and mentor our colleagues on identifying risk, brainstorm alternate practices or risk mitigations, and improve our documentation of our plans.

We are analysing safety & wellbeing data from reported incidents, hazards and near hits as a learning tool to prevent similar events from occurring. This data will form the basis of the OHS Strategy to target hot spots, so we can go home and go home as a whole person, unharmed.

## Diversity and Inclusion

In 2019 we learnt about respect, and being an active bystander to support each other if inappropriate behaviours or treatment was present. As a staff we have risen to the challenge and so we talk more about and more openly address workplace behavior that is not quite right. This includes behaviours that are not inclusive, and don't accord with our employee values of trust, respect, openness, fairness, enjoyment and excellence.

We launched a Diversity and Inclusion Committee to put a focus on inclusive practice. We were delighted to host Kutcha Edwards and listen and participate as he told us about his story, his people and his country as an Indigenous man. We began our journey on Indigenous cultural awareness. We were touched by his gentleness and kindness as he spoke of experiences that were awkward and uncomfortable, as we learn and gain understanding about our nation's first people.

## Employment Conditions and Relationships

With the decision to take over the operation of the Wangaratta Sports and Aquatics Centre in November 2020, we embarked on a journey of enterprise bargaining – achieving strong staff support for a change to our current enterprise bargaining agreement, to enable the creation of a new enterprise bargaining agreement to apply to the Centre. We also met some of our future colleagues at the Centre as current YMCA staff helped us to decide the terms of that new agreement.

We met and discussed a wide range of topics within our Staff Consultative Committee – such as drugs and alcohol, surveillance technologies, working from home, conflict of interest, human resources systems, performance review, COVID19 and the staff code of conduct. Our strong employer/employee relations made these discussions fruitful, insightful and provided us with outcomes that we created together.

## Growth and Development

In 2019 we again conducted our staff engagement survey and achieved a meaningful improvement in staff engagement at work. Amidst COVID19 we reported that we felt well supported in a time of great uncertainty, fear and vulnerability.

We participated in performance conversations, gaining feedback and coaching about our work performance and potential development. We provided growth opportunities through a targeted program for the leadership team and designed a new program for mid-level leaders designed especially for coordinator level positions. At the individual level we launched a mentoring pilot and set up a range of individual coaching and mentoring relationships.

## Gender Equity

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

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

In addition, changes to how vacant positions are advertised and promoted led to an increase in the number of women employed in Council's waste and field services, which are traditionally areas dominated by male employees. As we grow, we develop and invest in our people and create a culture where we want to be at work.

## Our Staff

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

Employee Type / Gender	Community Wellbeing	Corporate Services	Development Services	Executive Services	Infrastructure Services	Grand Total
<b>Female</b>	85.88	21.23	17.93	3.55	13.80	<b>142.39</b>
Casual	1.64	0.18	0.45			<b>2.27</b>
Full Time	37.60	12.42	11.40	3.00	11.28	<b>75.70</b>
Part Time	46.64	8.63	6.08	0.55	2.52	<b>64.42</b>
<b>Male</b>	9.09	16.07	15.00	1.00	94.66	<b>135.82</b>
Casual	0.45	0.06	0.12		1.21	<b>1.84</b>
Full Time	6.00	14.00	12.00	1.00	91.00	<b>124.00</b>
Part Time	2.64	2.01	2.88		2.45	<b>9.98</b>
<b>Grand Total</b>	<b>94.97</b>	<b>37.30</b>	<b>32.93</b>	<b>4.55</b>	<b>108.46</b>	<b>278.21</b>

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

Employment Classification	Female	Male	Total
<b>Band 1</b>	1.43	0.90	<b>2.33</b>
<b>Band 2</b>		0.06	<b>0.06</b>
<b>Band 3</b>	28.47	41.82	<b>70.29</b>
<b>Band 4</b>	26.59	31.26	<b>57.85</b>
<b>Band 5</b>	25.30	20.22	<b>45.52</b>
<b>Band 6</b>	22.43	12.00	<b>34.43</b>
<b>Band 7</b>	17.42	11.66	<b>29.08</b>
<b>Band 8</b>	7.10	5.90	<b>13.00</b>
<b>Not Applicable</b>	13.65	12.00	<b>25.65</b>
<b>Total</b>	<b>142.39</b>	<b>135.82</b>	<b>278.21</b>



## We are thriving

### Strategic objective

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

### Major initiatives

Major Initiative	Status	Comment
Wangaratta Indoor Sports and Aquatics Centre Delivery	Ongoing	This is a multi-year project. It is progressing well despite the COVID-19 border restrictions slowing onsite works. The warm water pool is being tiled. The 50m pool is poured and undergoing testing.
HP Barr Reserve Oval 2 - Drainage and restoration works	Completed	
Delivery of Glenrowan Recreation Reserve upgrade project	Completed	
Implementation of the Waste Management Strategy (WMS)	Completed	<p>The main actions implemented are:</p> <ul style="list-style-type: none"> <li>· A polystyrene extruder purchased for the transfer station</li> <li>· A sorting pad and machinery established at the landfill to recover recyclable waste</li> <li>· Participation in the garage sale trail to recover hard waste</li> <li>· Expansion of the kerbside collection of organics to rural townships in December 2019</li> <li>· Upgrade of the transfer station electronic waste facilities</li> <li>· The aftercare and maintenance program has been developed for 18 landfills</li> <li>· A feasibility assessment of the Eldorado landfill</li> </ul>
Mental Health and Family Violence Program	Ongoing	COVID-19 restrictions have impacted this program
North and South Wangaratta Reserve Lighting Upgrade	Completed	
WJ Findlay Oval Lighting Upgrade	Completed	
Senior Citizens Centre - Feasibility Study	Nearing completion	The final report will be delivered in 2020-21
Implementation of Play Space Strategy - Year 2	Completed	Two play space projects were delivered
Mitchell Avenue Children's Garden Construction	Ongoing	Onsite works have commenced

## Report of Operations

### Other achievements

- 150 nappy changes per day.
- 41,220 hours of in-home care and services and access to the community to approximately 1400 community care clients.

### Strategic Indicators and measures

Strategic indicator or measure	Target	Result
Percentage of children enrolled to participate in the Maternal and Child Health Service	95%	81%
Cost of the Maternal and Child Health service per hour of service delivered	\$67.00	\$60.82
Percentage of children receiving immunisation in accordance with the Victorian Immunisation Schedule	95%	98%
Number of Home Care clients	1,400	759
Number of visits to aquatic facilities per head of populatio	5	10
Council performance on recreational facilities measured by the community satisfaction survey	71	69
Percentage of Class 1 and 2 food premises that receive an annual food safety assessment	90%	105%



## Service performance indicators

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Aquatic Facilities</b>					
<p><i>Service standard</i></p> <p>Health inspections of aquatic facilities</p> <p>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</p>	0.00	0.00	0.50	0.00	There were no health inspections of our aquatic facilities in 2019-20. Note that health Inspections are only required in response to complaints. No complaints were received.
<p><i>Utilisation</i></p> <p>Utilisation of aquatic facilities</p> <p>[Number of visits to aquatic facilities / Municipal population]</p>	4.95	4.73	4.63	9.81	COVID-19 restrictions caused the closure of the indoor facility for significant periods in the last quarter of 2019-20 resulting in lower facility utilisation. Prior year results have not counted non-swim visits to our indoor facility.
<p><i>Service cost</i></p> <p>Cost of aquatic facilities</p> <p>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</p>	New in 2020	New in 2020	New in 2020	\$1.47	From 2020, this indicator replaced two previous indicators: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities'.
<b>Food Safety</b>					
<p><i>Timeliness</i></p> <p>Time taken to action food complaints</p> <p>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</p>	50.50	3.00	7.14	4.50	The time taken to action food complaints in 2019-20 is consistent with the average over the past 3 years.
<p><i>Service standard</i></p> <p>Food safety assessments</p> <p>[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</p>	58.41%	70.67%	100.00%	101.52%	Effective resourcing of our inspection effort has enabled all required food safety inspections to be completed. More inspections undertaken than required due to registration transfers throughout the year.
<p><i>Service cost</i></p> <p>Cost of food safety service</p> <p>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p>	\$347.56	\$548.12	\$215.32	\$280.70	Efficient use of contractors has continued to support effective delivery of food safety activities.

## Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Food Safety [continued]</b>					
<p><i>Health and safety</i></p> <p>Critical and major non-compliance outcome notifications</p> <p>[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</p>	100.00%	54.55%	68.18%	78.57%	The result shows a year on year improvement due to increased inspections. Not all issues can be dealt with quickly, but they are monitored throughout the process until a conclusion is reached.
<b>Maternal and Child Health</b>					
<p><i>Service standard</i></p> <p>Infant enrolments in the MCH service</p> <p>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</p>	97.08%	95.42%	101.40%	100.35%	
<p><i>Service cost</i></p> <p>Cost of the MCH service</p> <p>[Cost of the MCH service / Hours worked by MCH nurses]</p>	\$70.03	\$68.31	\$75.15	\$60.82	The cost has reduced due to lack of available staff despite recruitment campaigns run during the year. The coordinator has been picking up client contact days to help cover the reduced staff.
<p><i>Participation</i></p> <p>Participation in the MCH service</p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p>	77.56%	79.51%	73.97%	80.62%	The increase in participation may be due to the overall number of enrolments being reduced this year when compared to last year. There was an increase of participation over the first COVID-19 lockdown through online service provision, but we also had more births in this time than the same time last year. People have quickly moved back to face-to-face as the preferred method.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Maternal and Child Health [continued]</b>					
<p><i>Participation</i></p> <p>Participation in the MCH service by Aboriginal children</p> <p>[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</p>	79.07%	68.29%	75.00%	85.05%	The increase in participation may be due to the overall number of enrolments being reduced this year when compared to last year. There was an increase of participation over the first COVID-19 lockdown through online service provision, but we also had more births in this time than the same time last year. People have quickly moved back to face-to-face as the preferred method.
<p><i>Satisfaction</i></p> <p>Participation in 4-week Key Age and Stage visit</p> <p>[Number of 4-week key age and stage visits / Number of births notifications received] x 100</p>	New in 2020	New in 2020	New in 2020	102.45%	

## Services

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

# We are growing

### Strategic objective

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

### Major initiatives

Major Initiative	Status	Comment
Progression of Draft Brand Strategy	Nearing completion	Internal roll out of brand and communication guidelines and complete. The external brand campaign has been delayed due to COVID-19 impacts.
Wangaratta Aerodrome Infrastructure Development	Nearing completion	The taxiway is nearing completion along with the relocation of fuel tanks. A tender for the hangar has been awarded.
Develop Growth Area Infrastructure	Completed	
Participation in Tourism North East programs	Completed	Due to COVID-19 restrictions some of the marketing has been postponed.
Business Development and Support Programs	Completed	The business development program was moved online due to COVID-19 restrictions. This format has proved popular demonstrated by the online marketing workshop having 20 participants.
Tourism Marketing Campaign	Ongoing	Due to COVID-19 restrictions several marketing campaigns have been deferred. We are still posting on social media and we are supporting buy local campaigns.



## Report of Operations

### Other achievements

- We have had 62,641 riders use our rail trails. This is up 30.9% compared to 2018-19.
- Visit Wangaratta grew their online social media following by 2,336 through imagery and engagement on our key attractions and hidden gems.

### Strategic Indicators and measures

Strategic indicator or measure	Target	Result
Percentage of planning application decisions made within required timeframes	82%	<b>82%</b>
Median number of processing days taken between receipt of planning application and a decision	55	<b>46</b>
Council performance on planning and building permits (Community Satisfaction Survey)	57	<b>54</b>
Number of new housing lots released in municipality	150	<b>179</b>
Number of building permits for new dwellings issued within municipality	150	<b>151</b>
Council performance on business, community development and tourism (Community Satisfaction Survey)	61	<b>61</b>
Percentage change in Followers of Visit Wangaratta Facebook and Instagram pages	5% increase on 2018-19	<b>10% increase on 2018-19</b>
Number of cattle throughput at the Wangaratta Livestock Exchange	38,000	<b>26,810</b>
Wangaratta Livestock Exchange Year 2 full-year financial position <sup>1</sup>	Breakeven	<b>\$74,360</b>
Percentage change in Cycle Tourism along Rail Trail	5% increase on 2018-19	<b>31% increase on 2018-19</b>

### Service performance indicators

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Statutory Planning</b>					
<p><i>Timeliness</i></p> <p>Time taken to decide planning applications</p> <p>[The median number of days between receipt of a planning application and a decision on the application]</p>	69.00	59.00	53.00	46.00	We continue to see a reduction in the time taken to make decisions as we complete the process of implementing improvements from the planning services review.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Statutory Planning [continued]</b>					
<p><i>Service standard</i></p> <p>Planning applications decided within required time frames</p> <p>[(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</p>	72.53%	80.75%	82.49%	82.03%	Our consistently high performance reflects the positive impact of improvements coming from the planning services review.
<p><i>Service cost</i></p> <p>Cost of statutory planning service</p> <p>[Direct cost of the statutory planning service / Number of planning applications received]</p>	\$2,383.45	\$2,432.42	\$2,412.42	\$2,271.96	Resourcing of the planning service is consistent with recent years and adequate for the size of the task.
<p><i>Decision making</i></p> <p>Council planning decisions upheld at VCAT</p> <p>[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</p>	0.00%	0.00%	66.67%	83.33%	5 of the 6 planning permit decisions challenged in VCAT were not set aside by the tribunal. On average less than 2% of our planning decisions are appealed at VCAT.

## Services

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

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





## We are established

### Strategic objective

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

### Major initiatives

Major Initiative	Status	Comment
Railway Precinct Redevelopment	Ongoing	This is a multi-year project. It is progressing well despite the COVID-19 border restrictions slowing onsite works. Water main works are almost completed, the civil works on Cusack Street are completed and the civil works on Norton Street are almost completed.
Cruse Street Program of Works - Stage 2	Completed	
Delivery of our asset renewal program 2019-20	Completed	
Progression of major projects from The Wangaratta Project in line with successful funding provision and Council's priorities	Ongoing	Many of the projects are multi-year. They are progressing in line with Council's priorities.
Implementation of Rural Placemaking Projects as identified within district plans	Ongoing	Rural signage is still on hold pending the outcomes from the branding strategy refresh. Consultation is underway in Glenrowan and Whitfield with regards to their infrastructure plans.
Preparation of municipality-wide walking and cycling strategy	Completed	A new strategy has been endorsed.
Design and planning completed for Waldara Drainage Scheme	Completed	The project is complete despite the bund works being deferred.
Annual Gravel Re-sheeting and Resealing Programs	Completed	
Drainage and upgrade of Lindner Road - Design and Land Acquisition	Completed	The project is complete despite land acquisitions being deferred.
Council Asset Data, Condition and Renewal Policy Development - Buildings and Systems	Nearing completion	Data collection is complete and service levels are set.

## Report of Operations

### Other achievements

- Wangaratta Performing Arts and Convention Centre was converted into an Emergency Relief centre during the bushfire crisis. Approximately 1,400 people registered at the relief centre and were cared for by volunteers and Rural City of Wangaratta staff.
- 45.5km of roads were re-sheeted by Council.
- Council used 53,509 tonne of gravel material in the 2018-2019 re-sheeting program.
- Council inspected 277.5kms of Footpath/Shared Path/Bike path.
- Council Inspected 49 playgrounds each month this includes Playgrounds, Splash Park, Skate Park & Bowl and Olympic Pool Slide.

### Strategic Indicators and measures

Strategic indicator or measure	Target	Result
Council performance on the condition of local streets and footpaths in your area (Community Satisfaction Survey)	60	<b>58</b>
Community satisfaction with sealed roads (Community Satisfaction Survey)	58	<b>57</b>
Council performance on the maintenance of unsealed roads in your area (Community Satisfaction Survey)	52	<b>48</b>
Council overall performance (Community Satisfaction Survey)	60	<b>62</b>
Value of infrastructure per head of municipal population	\$18,000	<b>\$17,764</b>

### Service performance indicators

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Roads</b>					
<i>Satisfaction of use</i>					
Sealed local road requests <small>[Number of sealed local road requests / Kilometres of sealed local roads] x100</small>	19.01	33.72	28.51	28.00	Similar level of customer requests relating to sealed roads as received in previous year.
<i>Condition</i>					
Sealed local roads maintained to condition standards <small>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</small>	98.69%	98.70%	98.84%	97.42%	5 yearly sealed road and kerb condition survey conducted March/April of 2020, providing up to date condition assessment of all sealed roads in municipality. Results indicate sealed roads maintained to required condition standard.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Roads [continued]</b>					
<i>Service cost</i> Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$82.77	\$87.53	\$91.26	\$0.00	No local road reconstruction undertaken FY19/20.
<i>Service Cost</i> Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.35	\$0.00	\$3.51	\$4.78	Council engaged Procurement Australia for 2nd year running to award the resealing contract to attract competitive reseal rates. Procurement Australia awards the tender.
<i>Satisfaction</i> Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	56.00	56.00	57.00	57.00	Results from the annual JWS Community Satisfaction Survey report the same community satisfaction of sealed roads as previous year. This result aligns with the same level of customer service requests on previous year as reported above.

## Services

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

# We are inspired

### Strategic objective

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

### Major initiatives

Major initiative	Status	Comment
Wangaratta Performing Arts and Convention Centre Services Feasibility Study	Nearing completion	Draft completed and ready for management review.
Art Gallery Feasibility Study Outcomes	Completed	
Library Self Service, security and stock control through RFID Technology	Completed	Works are completed. Entrance gates are installed. Equipment has been commissioned. Staff and members have received training. As staff numbers are depleted due to COVID-19 restrictions, the benefits of self-service were immediately realised.
Wangaratta Parklands Precinct Master Plan	Nearing completion	The draft masterplan was placed on public exhibition.
Development of enabling frameworks for project management, change management and innovation	Completed	The Project Management framework has been developed and implemented with training rolled out to project managers across the organisation.
Investigate lighting treatments within CBD precinct as an extension to the Christmas Decoration Project	Completed	
Venue Management Software to streamline booking systems – Implementation	Completed	

### Other achievements

- WPACC celebrated its 10th Birthday with a huge month of events including 17 theatre shows, 15 conferences, 2 gallery performances, 1 floor talk, 1 dance competition.
- Library staff placed a special tag on every item in readiness for self-service checkout of items. Nearly 58,000 items were handled during the process.
- Our Art Gallery Installed over 870 artworks for visitors and our community to experience art so that they can see, share and learn from the stories and creations of our local and national creatives.



## Report of Operations

### Strategic Indicators and measures

Strategic indicator or measure	Target	Result
Council performance on consultation and engagement (Community Satisfaction Survey)	56	<b>55</b>
Council performance in making decisions in the interest of the community (Community Satisfaction Survey)	52	<b>52</b>
Council performance on informing the community (Community Satisfaction Survey)	63	<b>60</b>
Council performance on community and cultural activities (Community Satisfaction Survey)	70	<b>69</b>
Percentage of municipal population that are active library users	17%	<b>14%</b>
Number of events held at the Wangaratta Library (excluding regular programs)	60	<b>61</b>
Number of tickets sold through the Wangaratta Performing Arts and Convention Centre	22,100	<b>15,777</b>
Number of conferences and conventions at the Performing Arts and Convention Centre	195	<b>149</b>
Number of attendees at the Wangaratta Art Gallery	40,000	<b>24,426</b>
Number of events held at the Wangaratta Art Gallery	32	<b>52</b>
Average number of days to close a customer request	14	<b>5</b>
Percentage of customer requests overdue by more than 60 days	10%	<b>7%</b>

### Service performance indicators

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Libraries</b>					
<i>Utilisation</i>					
Physical library collection usage <small>[Number of physical library collection item loans / Number of physical library collection items]</small>	3.05	2.97	2.81	2.70	From 2019-20, this indicator measures the performance of physical library items as a sub-set of the wider library collection.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Libraries [continued]</b>					
<i>Resource standard</i> Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	48.26%	45.75%	70.39%	58.65%	There has been a slight change in the way HCLN collates the data. Current data does not include items purchased and deleted in the previous 5 years, only what remains in the collection.
<i>Participation</i> 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	16.42%	14.84%	13.87%	13.64%	Wangaratta Library was closed for 10 weeks from 26 March to 9 June 2020. A Click and Collect and Library@Home service was provided, accounting for some active users.
<i>Service cost</i> Cost of library service per population [Direct cost of the library service / Population]	\$19.33	\$18.10	\$21.27	\$25.71	This indicator is replacing the previous 'Cost of library service' indicator which was based on the number of visits.

## Services

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





## We are sustainable

### Strategic objective

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

### Major initiatives

Major initiative	Status	Comment
Organics Processing Plant Completion	Completed	
Rural Townships Organics Roll Out	Completed	
Gun Club Rehabilitation	Underway	Completion dependent on EPA approval which is yet to be issued.
Deliver our roadside weed management weed spraying program	Completed	
Improved employee experience and performance through enhanced on-boarding and talent management	Ongoing	Approval to purchase an onboarding eLearning system received and funding allocated in 2020/21 budget.
Business Intelligence - agile reporting to support business decisions	Completed	
Online lodgment and payment of permits, animal renewals and infringements	Completed	
Comprehensive service planning framework	Deferred	Funding for this project was reallocated in the revised budget.
Domestic Waste Water Management	Completed	
ICT Strategy Implementation - Commencement	Completed	
Environmental Sustainable Strategy 2014 - Review and update	Ongoing	Workshops have been held with councillors, youth council and key community groups to gain input into the draft document.

## Report of Operations

### Other achievements

- 10,758 Customer Request were lodged with Council with an average response time of 5.3 days, down from 13.6 in 2018-19.
- 6839 trees have been planted under the NRM Bush Regeneration program in our Natural Reserves.
- 1,144,000 garbage, recycling and organics collections throughout the year.

### Strategic Indicators and measures

Strategic indicator or measure	Target	Result
Percentage of kerbside collection waste diverted from landfill	61%	<b>62%</b>
Council performance on waste management (Community Satisfaction Survey)	70	<b>68</b>
Percentage change in emissions from Council owned buildings, street lighting & fuel/vehicle use	3% decrease on 2018-19	<b>15% decrease on 2018-19</b>
Council performance on environmental sustainability (Community Satisfaction Survey)	68	<b>62</b>
Cost of animal management services per registered animal	\$91.00	<b>\$85.29</b>
Percentage of Council decisions made at meetings closed to the public	4%	<b>3.5%</b>
Council performance on lobbying on behalf of the community (Community Satisfaction Survey)	55	<b>54</b>
Number of native plants planted in the Municipality as part of the Greening Wangaratta Program	7,000	<b>6,839</b>

### Service performance indicators

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Animal Management</b>					
<p><i>Timeliness</i></p> <p>Time taken to action animal management requests</p> <p>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</p>	10.16	24.00	11.98	4.63	Continued improved usage of the upgraded customer request system has resulted in 4 to 5 day response times consistent with the second half of 2018-19
<p><i>Service standard</i></p> <p>Animals reclaimed</p> <p>[Number of animals reclaimed / Number of animals collected] x100</p>	59.96%	61.96%	55.49%	55.38%	The result is consistent with the 2018-19 result.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Animal Management [continued]</b>					
<p><i>Service standard</i></p> <p>Animals rehomed</p> <p>[Number of animals rehomed / Number of animals collected] x100</p>	New in 2020	New in 2020	New in 2020	108.23%	The number of animals rehomed includes some animals that were collected in the prior year. The result confirms our commitment to rehoming animals.
<p><i>Service cost</i></p> <p>Cost of animal management service per population</p> <p>[Direct cost of the animal management service / Population]</p>	\$10.24	\$21.19	\$16.26	\$16.83	The result is consistent with the 2018-19 result. Note: Indicator is replacing previous 'Cost of animal management service' which was based on cost per number of registered animals.
<p><i>Health and safety</i></p> <p>Animal management prosecutions</p> <p>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</p>	New in 2020	New in 2020	New in 2020	0.00%	There were no animal management prosecutions in 2019-20.
<b>Governance</b>					
<p><i>Transparency</i></p> <p>Council decisions made at meetings closed to the public</p> <p>[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100</p>	2.29%	3.83%	4.69%	3.48%	Four decisions out of a total of 115 decisions were decided in meetings closed to the public. They related to a personnel matter, 2 contractual matters and a personal hardship matter.
<p><i>Consultation and engagement</i></p> <p>Satisfaction with community consultation and engagement</p> <p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>	55.00	56.00	53.00	55.00	We provide opportunities for consultation with the community through effective community engagement processes, consistent provision of public question time at council meetings and consultation on major council policies.

## Report of Operations

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Animal Management</b>					
<p><i>Attendance</i></p> <p>Councillor attendance at council meetings</p> <p>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100</p>	98.78%	97.28%	98.10%	97.96%	Attendance was high, with only 2 absences for the year.
<p><i>Service cost</i></p> <p>Cost of elected representation</p> <p>[Direct cost of the governance service / Number of Councillors elected at the last Council general election.</p>	\$79,967.40	\$43,511.43	\$45,025.00	\$44,221.14	The cost of elected representation is consistent with the prior 2 financial years.
<p><i>Satisfaction</i></p> <p>Satisfaction with council decisions</p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	50.00	51.00	51.00	52.00	The result reflects improvements in the way decisions are made and in particular how the community is consulted and engaged in the decision-making process.
<b>Waste Collection</b>					
<p><i>Satisfaction</i></p> <p>Kerbside bin collection requests</p> <p>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000</p>	235.58	56.63	68.40	156.47	In December 2019 Council rolled out a green organics bin to 4 rural townships which has resulted in additional bin requests in the system.
<p><i>Service standard</i></p> <p>Kerbside collection bins missed</p> <p>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</p>	13.44	6.40	4.11	6.92	The increase is due to a high turnover of staff in the waste collection team in the last 12 months, resulting in a lot of new employees learning routes. New categories have been set up in the customer service system, similar to the recycling categories to include a split between service provider at fault and customer provider fault.

Service performance indicator	Results	Results	Results	Results	Comments
Service / indicator / measure	2017	2018	2019	2020	
<b>Animal Management</b>					
<i>Service cost</i> Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$120.26	\$116.49	\$122.02	\$120.19	The cost of the garbage service is consistent with the average of the last 3 financial years.
<i>Service cost</i> Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$48.24	\$46.65	\$65.28	\$65.57	The cost of the recycling service is consistent with last financial year following the loss of recycling material export markets in China.
<i>Waste diversion</i> Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	60.51%	60.66%	60.10%	61.83%	Our diversion of waste from landfill to productive uses is consistent with the last 3 financial years reflecting a successful organics program.

## Services

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

# Statutory Information

## Best Value

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

The best value principles are:

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

Council incorporates best value principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement, innovation, and sustainability. Council has embarked on recommendations from a business health check to implement improvements in the areas of corporate planning, project management, procurement, and continuous procurement to support its achievement of best value.

## Contracts

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

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

## Carers Recognition Act

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

- taken all practicable measures to ensure that its employees and agents have an awareness and understanding of the care relationship principles;
- taken all practicable measures to ensure that persons who are in care relationships and who are receiving services in relation to the care relationship from the care support organisation have an awareness and understanding of the care relationship principles;
- 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 Act**

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

- Convened monthly meetings of the Accessibility Reference Group;
- Convened 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;
- 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 section 68A of the Domestic Animals Act 1994, Council has a Domestic Animal Management Plan and reports the following evaluation of its implementation.

- Investigation pack enables officers to take statements in the field and add evidentiary photographs to file. Investigation notes, seizure notices and associated documents now able to be electronically completed and emailed to the accused.
- Complete review of the Barking Dog pack undertaken to remove the likelihood of council becoming involved in neighbourhood disputes. Review included the requirement that there be more than one complainant and that they be prepared to give evidence at court. Also added the requirement that electronic evidence (i.e. The Noise app) be used to complement written evidence being provided. Adds credibility to the complaint and enables officers to make desktop judgements as to whether there is sufficient evidence and a prima facie case to present to the court.
- Animal owners now able to renew registration and pay for same electronically. Registration form updated to capture additional information.
- Bluetooth scanners now compatible with mobile phone technology to enable officers to scan the animal and search council database to check status of registration. Infringements for breaches of the Domestic Animals Act 1994 now able to be issued on the spot.
- Council has been proactively following up on unpaid animal registration and using SMS technology as reminders for overdue renewals. Provides evidence of delivery and negates the argument of not having received a reminder. Will conduct community wide door knock

## **Protected Disclosures Act**

Information about how to access the procedures established by Council under Part 9 of the Protected Disclosure Act is found on our website on the Contact Us web page.

In the past financial year Council has not had any protected disclosure complaints.

### **Freedom of Information Act**

Information about the functions of Council and information available is found on its website at [www.wangaratta.vic.gov.au](http://www.wangaratta.vic.gov.au) and information about how to access Council documents is found on our website on the Contact Us web page and in our Public Transparency Policy.

### **Food Act Ministerial Directions**

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

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

### **Road Management Act Ministerial Directions**

In accordance with section 22 of the Road Management Act 2004, Council is required to publish a copy, or a summary of any Ministerial Directions received during the financial year in its annual report.

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



# Governance and Management Checklist

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

Governance and Management Items	Assessment
<p><b>1. Community engagement policy</b></p> <p>(policy outlining Council's commitment to engaging with the community on matters of public interest)</p>	<p>Current policy in operation</p> <p>Date of operation of current policy:</p> <p><b>20 February 2018</b></p>
<p><b>2. Community engagement guidelines</b></p> <p>(guidelines to assist staff to determine when and how to engage with the community)</p>	<p>Current guidelines in operation</p> <p>Date of operation of current guidelines:</p> <p><b>20 February 2018</b></p>
<p><b>3. Strategic Resource Plan</b></p> <p>(plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)</p>	<p>Adopted in accordance with section 126 of the Act</p> <p>Date of adoption:</p> <p><b>30 June 2020</b></p>
<p><b>4. Annual budget</b></p> <p>(plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)</p>	<p>Adopted in accordance with section 130 of the Act</p> <p>Date of adoption:</p> <p><b>30 June 2020</b></p>
<p><b>5. Asset management plans</b></p> <p>(plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)</p>	<p>Plans are in place as follows:</p> <p>Date of operation of current plans:</p> <p><b>Plans adopted 20/08/2019: Road Asset Management Plan; Bridge Asset Management Plan; Drainage Asset Management Plan</b></p> <p><b>Plans to be adopted FY2020-21: Building Asset Management Plan; Path Network Asset Management</b></p> <p><b>Plan to be adopted FY2021-22: Open Space Asset Management Plan.</b></p>
<p><b>6. Rating strategy</b></p> <p>(strategy setting out the rating structure of Council to levy rates and charges)</p>	<p>Current strategy in operation</p> <p>Date of operation of current strategy:</p> <p><b>19 June 2018</b></p>
<p><b>7. Risk policy</b></p> <p>(policy outlining Council's commitment and approach to minimising the risks to Council's operations)</p>	<p>Current policy in operation</p> <p>Date of operation of current policy:</p> <p><b>25 February 2020</b></p>
<p><b>8. Fraud policy</b></p> <p>(policy outlining Council's commitment and approach to minimising the risk of fraud)</p>	<p>Current policy in operation</p> <p>Date of operation of current policy:</p> <p><b>20 August 2019</b></p>

Governance and Management Items	Assessment
<p><b>9. Municipal emergency management plan</b></p> <p>(plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)</p>	<p>Prepared and maintained in accordance with section 20 of the <b>Emergency Management Act 1986</b></p> <p>Date of preparation:</p> <p><b>20 November 2018</b></p>
<p><b>10. Procurement policy</b></p> <p>(policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)</p>	<p>Prepared and approved in accordance with section 186A of the <b>Local Government Act 1989</b></p> <p>Date of approval:</p> <p><b>26 May 2020</b></p>
<p><b>11. Business continuity plan</b></p> <p>(plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)</p>	<p>Current plan in operation</p> <p>Date of operation of current plan:</p> <p><b>16 September 2014</b></p>
<p><b>12. Disaster recovery plan</b></p> <p>(plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)</p>	<p>Current plan in operation</p> <p>Date of operation of current plan:</p> <p><b>16 December 2018</b></p>
<p><b>13. Risk management framework</b></p> <p>(framework outlining Council's approach to managing risks to the Council's operations)</p>	<p>Current framework in operation</p> <p>Date of operation of current framework:</p> <p><b>22 April 2020</b></p>
<p><b>14. Audit Committee</b></p> <p>(advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p>Established in accordance with section 139 of the Act</p> <p>Date of establishment:</p> <p><b>19 August 1997</b></p>
<p><b>15. Internal audit</b></p> <p>(independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)</p>	<p>Internal auditor engaged</p> <p>Date of engagement of current provider:</p> <p><b>20 January 2020</b></p>
<p><b>16. Performance reporting framework</b></p> <p>(a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Current framework in operation</p> <p>Date of operation of current framework:</p> <p><b>25 October 2018</b></p>
<p><b>17. Council Plan reporting</b></p> <p>(report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Current report</p> <p>Date of report:</p> <p><b>25 February 2020</b></p>

Governance and Management Items	Assessment
<p><b>18. Financial reporting</b> (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Statements presented to Council in accordance with section 138(1) of the Act</p> <p>Dates statements presented:</p> <p><b>Quarterly statement No. 1 15 October 2019; Quarterly statement No. 2 19 November 2019; Quarterly statement No. 3 25 February 2020; Quarterly statement No. 4 5 May 2020</b></p>
<p><b>19. Risk reporting</b> (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports prepared and presented</p> <p>Date of reports:</p> <p><b>Six-monthly report No. 1 - 3 December 2019; Six-monthly report No. 2 - 2 June 2020</b></p>
<p><b>20. Performance reporting</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)</p>	<p>Reports prepared and presented</p> <p>Date of reports:</p> <p><b>Six-monthly report No. 1 - 15 October 2019; Six-monthly report No. 2 - 25 February 2020</b></p>
<p><b>21. Annual report</b> (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)</p>	<p>Considered at meeting of the Council in accordance with section 134 of the Act</p> <p>Date of consideration:</p> <p><b>15 October 2019</b></p>
<p><b>22. Councillor Code of Conduct</b> (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Reviewed in accordance with section 76C of the Act</p> <p>Date reviewed:</p> <p><b>6 February 2017</b></p>
<p><b>23. Delegations</b> (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Reviewed in accordance with section 98(6) of the Act</p> <p>Date of review:</p> <p><b>Council to CEO 23 August 2017; Council to staff 16 October 2018; CEO to staff 20 March 2020</b></p>
<p><b>24. Meeting procedures</b> (a local law governing the conduct of meetings of Council and special committees)</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act</p> <p>Date local law made:</p> <p><b>16 October 2016</b></p>

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



**Brendan McGrath**  
Chief Executive Officer

**Date: 6 October 2020**



**Cr Dean Rees**  
Mayor

**Date: 6 October 2020**

# Development Contribution Plans

## Total DCP levies received in 2019-20 financial year

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

## DCP land, works, services or facilities accepted as works-in-kind in 2019-20 financial year

DCP name and year approved	Project ID	Project description	Item purpose	Project value (\$)
Wangaratta North West Development Contribution Plan, (2019)	Nil 2019/2020	N/A	N/A	0.00
Wangaratta South Development Contrubution Plan (2019)	Nil 2019/2020	N/A	N/A	0.00
<b>Total</b>				<b>0.00</b>

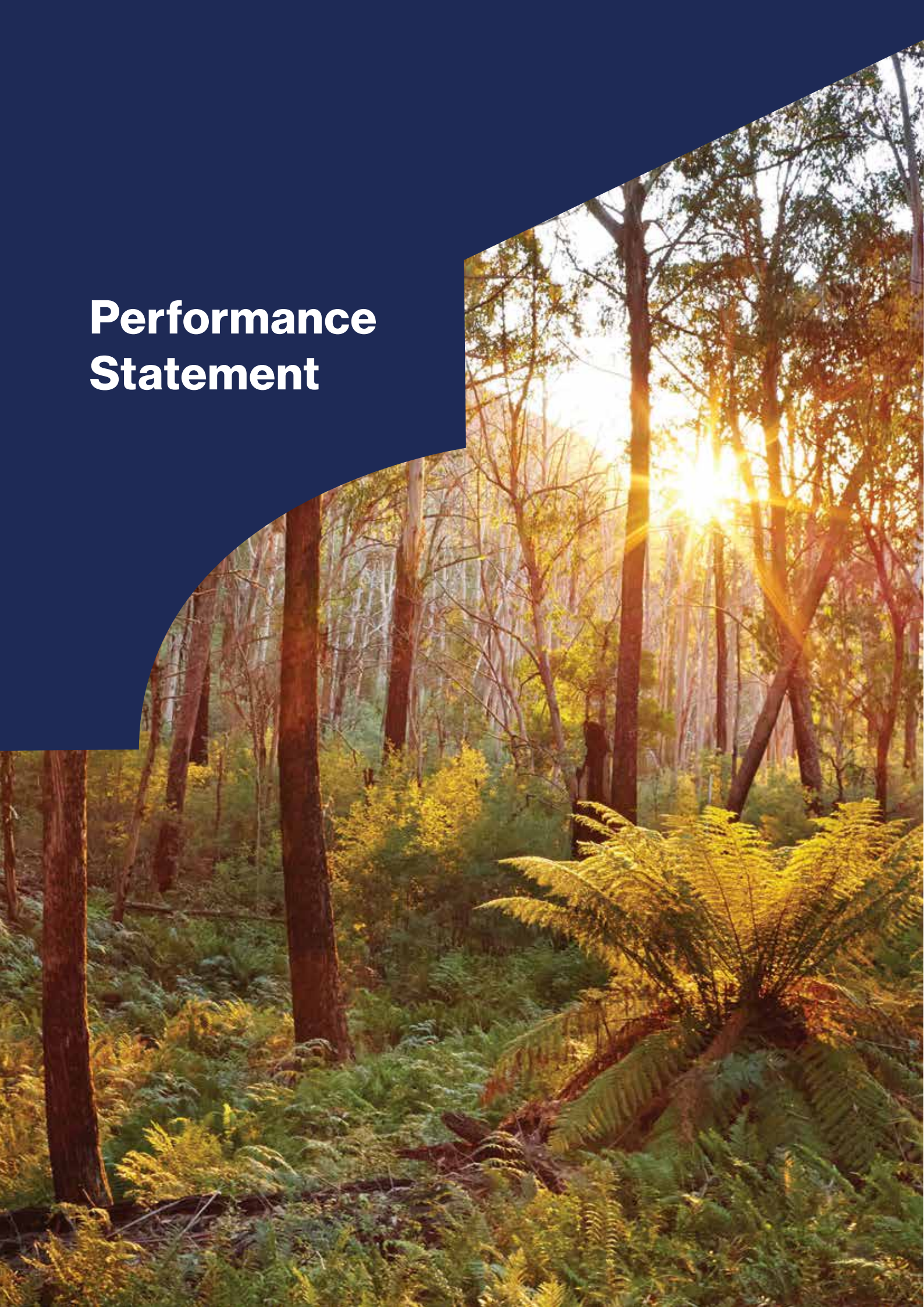
## Total DCP contributions received and expended to date (for DCPs approved after 1 June 2016)

DCP name and year approved	Total levies received (\$)	Total levies expended (\$) **	Total works-in-kind accepted (\$)	Total DCP contributions received (levies and works-in-kind) (\$)
Wangaratta North West Development Contribution Plan (2019)	0.00	7,602,414.80	0.00	0.00
Wangaratta South Development Contrubution Plan (2019)	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>7,602,414.80</b>	<b>0.00</b>	<b>0.00</b>

### Land, works, services or facilities delivered in 2019-20 financial year from DCP levies collected

Project description	Project ID	DCP name and year approved	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)*	Percentage of item delivered
Construction of Cruse Street Extension: End of seal to Three Mile Creek	RD05	Wangaratta North West Development Contribution Plan, (2019)	924,830.00	0.00	343,467.86	0.00	1,268,297.86	100%
Construction of Cruse Street Extension: Across Three Mile Creek	RD06	Wangaratta North West Development Contribution Plan, (2019)	1,850,769.00	0.00	687,347.59	0.00	2,538,116.59	100%
Construction of Cruse Street Extension: Three Mile Creek to Worland Road	RD07	Wangaratta North West Development Contribution Plan, (2019)	1,806,415.00	0.00	670,875.19	0.00	2,477,290.19	100%
Construction of Cruse Street Extension: Worland Road to Reith Road	RD08	Wangaratta North West Development Contribution Plan, (2019)	3,020,400.80	0.00	1,121,731.14	0.00	4,142,131.94	80%
Lindner Road Trunk Drainage: Construction of major spine drain, 2 retarding basins, and 1 bio retention basin	DR02	Wangaratta North West Development Contribution Plan, (2019)	867,546.03	0.00	2,048.72	0.00	869,594.75	37%
Reith-Cruse Street Drainage: Construction of major spine drain system	DR03	Wangaratta North West Development Contribution Plan, (2019)	1,175,192.50	0.00	436,448.71	0.00	1,611,641.21	50%
<b>Total</b>			<b>7,602,414.80</b>	<b>0.00</b>	<b>2,823,421.79</b>	<b>0.00</b>	<b>12,907,072.55</b>	

# Performance Statement



# **Wangaratta Rural City Council Performance Statement**

For The Year Ended 30 June 2020

## **Description of the municipality**

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

There are over 29,000 residents living in the municipality which covers an area of 3,639 square kilometres. The largest urban centre in the municipality is Wangaratta. Prominent townships and villages include Boorhaman, Cheshunt, Eldorado, Everton, Glenrowan, Oxley, Milawa, Moyhu, Peechelba, Springhurst, Tarrawingee, Whitfield and Whorouly.

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

## **Basis of preparation**

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

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

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

The forecast figures included in the Performance Statement are those adopted in the Strategic Resource Plan on 30 June 2020. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the Financial Statements.

The Performance Statement includes the effects of COVID-19 experienced in 2020. 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 2020

**Sustainable Capacity Indicators**

<i>Indicator / measure</i> [formula]	<b>Results 2017</b>	<b>Results 2018</b>	<b>Results 2019</b>	<b>Results 2020</b>	<b>Comments</b>
<b>Population</b>					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,134.63	\$1,893.21	\$2,117.17	\$2,449.93	Other expenses includes \$7m of non-recurring expenses. Council's landfill rehabilitation provision has increased during 2019-20 due to increasing costs of rehabilitation. Council will commence rehabilitation of two cells in 2020-21 and the increase in provision reflects these higher costs. The underlying increase in the provision for closed landfill cells and sites is \$5.4m. Further, Council has identified \$1.6m of Work In Progress which does not meet the asset recognition criteria and these costs have been expensed to the Income Statement. There has been no substantial change to the size of the municipal population.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure <sup>e</sup> / Municipal population]	\$15,466.31	\$16,480.26	\$17,253.03	\$17,748.00	The steady increase reflects an ongoing annual \$20m to \$30m capital works program.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads <sup>g</sup> ]	13.89	14.54	14.67	14.69	The population density per length of local roads is consistent with prior years as a result of only a 100 person increase in population and only a 3-kilometre increase in the length of local roads.
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue <sup>h</sup> / Municipal population <sup>h</sup> ]	\$1,416.45	\$1,449.45	\$1,499.16	\$1,711.21	Council's user fee income is higher in 2019-20 due to the bushfire waste received at the Bowser landfill site. This increase in own-source revenue will not be recurring and a decrease is expected for future years.
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$736.72	\$582.47	\$521.40	\$593.21	Council's Aged and Community Care operations have received approximately \$1.4m of additional operating grant money compared to 2018-19. This grant money fluctuates based on Government funded care packages and the assessed need for Council's clients.
<b>Disadvantage</b>					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage <sup>i</sup> by decile]	4.00	4.00	4.00	4.00	There has been no change in our relative socio-economic disadvantage index over the last 4 years.
<b>Workforce turnover<sup>vi</sup></b>					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.6%	12.8%	10.0%	10.0%	The workforce turnover rate result is consistent with last financial year.



**Wangaratta Rural City Council**  
**Performance Statement**  
For The Year Ended 30 June 2020

**Service Performance**

<b>Service/indicator/measure</b>	<b>Results 2017</b>	<b>Results 2018</b>	<b>Results 2019</b>	<b>Results 2020</b>	<b>Comments</b>
<b>Aquatic Facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.95	4.73	4.63	9.81	COVID-19 restrictions caused the closure of the indoor facility for significant periods in the last quarter of 2019-20 resulting in lower facility utilisation. Prior year results have not counted non-swim visits to our indoor facility.
<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [The percentage of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	0%	There were no animal management prosecutions in 2019-20.
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	-	Discontinued in 2020
<b>Food Safety</b> <b>Health and safety</b> <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 <sup>iii</sup> followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	54.55%	68.18%	78.57%	The result shows a year on year improvement due to increased inspections. Not all issues can be dealt with quickly, but they are monitored throughout the process until a conclusion is reached.
<b>Governance</b> <b>Satisfaction</b> <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]	50.00	51.00	51.00	52.00	The result reflects improvements in the way decisions are made and in particular how the community is consulted and engaged in the decision-making process.
<b>Libraries</b> <b>Participation</b> <i>Active library borrowers in municipality</i> [Number of active library borrowers <sup>iii</sup> in the last three years / The sum of the population for the last three years] x100	16.42%	14.84%	13.87%	13.64%	Wangaratta Library was closed for 10 weeks from 26 March to 9 June 2020. A Click and Collect and Library@Home service was provided, accounting for some active users.

**Wangaratta Rural City Council**  
**Performance Statement**  
For The Year Ended 30 June 2020

<b>Service/indicator/measure</b>	<b>Results 2017</b>	<b>Results 2018</b>	<b>Results 2019</b>	<b>Results 2020</b>	<b>Comments</b>
<b>Maternal and Child Health (MCH)<sup>ix</sup></b>  <b>Participation</b>  <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  <b>Participation</b>  <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	77.56%	79.51%	73.97%	80.62%	<p>The increase in participation may be due to the overall number of enrolments being reduced this year when compared to last year. There was an increase of participation over the first COVID-19 lockdown through online service provision, but we also had more births in this time than the same time last year. People have quickly moved back to face-to-face as the preferred method.</p> <p>The increase in participation may be due to the overall number of enrolments being reduced this year when compared to last year. There was an increase of participation over the first COVID-19 lockdown through online service provision, but we also had more births in this time than the same time last year. People have quickly moved back to face-to-face as the preferred method.</p>
<b>Roads</b>  <b>Satisfaction</b>  <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 <sup>1</sup> ]	56.00	56.00	57.00	57.00	Results from the annual JWS Community Satisfaction Survey report the same community satisfaction of sealed roads as previous year. This result aligns with the same level of customer service requests experienced year on year.
<b>Statutory Planning</b>  <b>Decision making</b>  <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	0.00%	66.67%	83.33%	5 of the 6 planning permit decisions challenged in VCAT were not set aside by the tribunal. On average less than 2% of our planning decisions are appealed at VCAT.
<b>Waste Collection</b>  <b>Waste diversion</b>  <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	60.51%	60.66%	60.10%	61.83%	Our diversion of waste from landfill to productive uses is consistent with the last 3 financial years reflecting a successful organics program.

**Wangaratta Rural City Council**  
**Performance Statement**  
For The Year Ended 30 June 2020

**Financial Performance**

Dimension/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Material Variations and Comments
<b>Efficiency</b>									
<b>Expenditure level</b>									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,818.89	\$3,546.73	\$3,991.06	\$4,564.99	\$4,444.32	\$4,287.09	\$4,335.58	\$4,328.75	Other expenses includes \$7m of non-recurring expenses. Council's landfill rehabilitation provision has increased during 2019-20 due to increasing costs of rehabilitation. Council will commence rehabilitation of two cells in 2020/21 and the increase in provision reflects these higher costs. The underlying increase in the provision for closed landfill cells and sites is \$5.4m. Further, Council has identified \$1.6m of Work In Progress which does not meet the asset recognition criteria and these costs have been expensed to the Income Statement.
<b>Revenue level</b>									
<i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,725.10	\$1,795.58	\$1,831.88	\$1,922.89	\$1,961.34	Waste service costs are forecast to continue to rise.
<i>Average residential rate per residential property assessment</i> [General rates and Municipal charges / Number of residential property assessments]	\$1,713	\$1,750	\$1,949	-	-	-	-	-	Discontinued in 2020
<b>Liquidity</b>									
<b>Working capital <sup>xi</sup></b>									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	250.03%	357.77%	201.13%	140.89%	227.58%	159.16%	139.11%	100.42%	Council will commence rehabilitation of two Bowser landfill cells during 2020-21. As such, a portion of the landfill provision is now recognised as a current liability, whereas in prior years the entire balance of the landfill was disclosed as a non-current liability.
<b>Unrestricted cash <sup>xii</sup></b>									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	26.59%	74.56%	18.91%	52.36%	143.76%	81.95%	59.00%	21.80%	Council's unrestricted cash is fluctuating based on the timing of borrowings drawn down and grant money received to support Council's largest capital works program. The medium-term forecasts reflect an unfavourable movement in this indicator.

**Wangaratta Rural City Council**  
**Performance Statement**  
For The Year Ended 30 June 2020

Dimension/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Material Variations and Comments
<b>Obligations</b>									
<b>Loans and borrowings</b>									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	32.49%	28.42%	25.43%	49.40%	97.48%	94.22%	82.37%	74.38%	The increase in borrowings is due to a significant capital works program, with the construction of new aquatic facilities, road and bridge assets and the revitalisation of the Wangaratta central business district. Council's loans and borrowings will increase further in 2020/21.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	5.20%	4.20%	2.87%	2.41%	2.42%	5.33%	8.85%	8.53%	Council's cost of borrowings continues to decrease in line with market rates. Additionally, Council has a material interest only loan which is not due to be repaid and therefore principal repayments are lower as existing principal and interest loans are repaid.
<b>Indebtedness <sup>xiii</sup></b>									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	58.74%	56.24%	55.60%	68.73%	96.80%	95.80%	86.08%	76.88%	The increase in the landfill rehabilitation provision of almost \$4m has resulted in an increase in this indicator in 2019-20.
<b>Asset renewal and upgrade <sup>xiv</sup></b>									
<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	New in 2020	100.28%	117.56%	98.41%	106.11%	106.11%	Assets are consistently renewed or upgraded at the end of their useful life.
<i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	44%	54%	63%	-	-	-	-	-	Discontinued in 2020
<b>Operating position</b>									
<b>Adjusted underlying result <sup>xv</sup></b>									
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	1.85%	7.67%	-3.04%	-4.15%	0.16%	1.21%	3.66%	5.81%	In 2019-20 Council has benefited from significant capital grants to support capital works renewal and new asset expenditure. Costs associated with the restoration of Council assets following the December 2018 floods continues to be spent and this expenditure is contributing to the adjusted underlying deficit. Council did not impair the assets at the time of the December 2018 floods and therefore the expenditure has been reported in the Income Statement.
<b>Stability</b>									
<b>Rates concentration <sup>xvi</sup></b>									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	49.43%	52.00%	53.86%	49.32%	50.17%	52.99%	53.84%	54.14%	
<b>Rates effort <sup>xvii</sup></b>									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.59%	0.62%	0.58%	0.57%	0.56%	0.58%	0.61%	0.62%	

**Wangaratta Rural City Council  
Performance Statement**

For The Year Ended 30 June 2020

**Certification**

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



\_\_\_\_\_  
Anthea Sloan, Bachelor of Business (Accounting) Chartered Accountant

**Principal Accounting Officer**

Dated: 06 October 2020

In our opinion, the accompanying performance statement of the Wangaratta Rural City Council for the year ended 30 June 2020 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



\_\_\_\_\_  
Cr Dean Rees

**Mayor**

Dated: 06 October 2020



\_\_\_\_\_  
Cr Dave Fuller

**Deputy Mayor**

Dated: 06 October 2020



\_\_\_\_\_  
Brendan McGrath

**Chief Executive Officer**

Dated: 06 October 2020

# Wangaratta Rural City Council Performance Statement

For The Year Ended 30 June 2020

## Definitions

- 
- <sup>i</sup> **"infrastructure"** means non-current property, plant and equipment excluding land
- <sup>ii</sup> **"local road"** means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004 and includes right-of-ways and laneways
- <sup>iii</sup> **"own-source revenue"** means adjusted underlying revenue other than revenue that is not under the control of council (including government grants). **"adjusted underlying revenue"** means total income other than—
- (a) non-recurrent grants used to fund capital expenditure; and
  - (b) non-monetary asset contributions; and
  - (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)
- <sup>iv</sup> **"municipal population"** means the resident population estimated by council
- <sup>v</sup> **"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
- <sup>vi</sup> **"resignations and terminations"** means all permanent employees (including senior officers on contract) that leave the council and includes resignations, terminations, retirements and redundancies
- <sup>vii</sup> **"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.
- "major non-compliance outcome notification"** means a notification received by a Council under section 19N(3) or (4) of the Food Act 1984, or advice given to Council by an authorised officer under that Act, if it relates to a deficiency that does not pose an immediate serious threat to public health but which may do so if no remedial action is taken. Typically auditor notifications that fall into this category will be received under section 19N(4) at the conclusion of the audit process.
- "food premises"** has the same meaning as in the Food Act 1984
- <sup>viii</sup> **"active library member"** means a borrower of a library who has borrowed a book or other resource from the library
- <sup>ix</sup> **"MCH service"** means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
- "Aboriginal child"** means a child who is an Aboriginal person. "Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006
- <sup>x</sup> **"sealed local roads"** means sealed roads under the control of the municipality and includes the road pavement and road seal (and kerb and channel where applicable)
- <sup>xi</sup> **"current assets"** has the same meaning as in the Australian Accounting Standards (AAS)
- "current liabilities"** has the same meaning as in the AAS
- <sup>xii</sup> **"unrestricted cash"** means all cash and cash equivalents other than restricted cash. "restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
- <sup>xiii</sup> **"non-current liabilities"** means all liabilities other than current liabilities
- <sup>xiv</sup> **"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
- "asset upgrade expenditure"** means expenditure that enhances an existing asset to provide a higher level of service or increases the life of the asset beyond its original life
- <sup>xv</sup> **"adjusted underlying surplus (or deficit)"** means adjusted underlying revenue less total expenditure
- "adjusted underlying revenue"** means total income other than—
- (a) non-recurrent grants used to fund capital expenditure; and
  - (b) non-monetary asset contributions; and
  - (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)
- <sup>xvi</sup> **"rate revenue"** means revenue from general rates, municipal charges, service rates and service charges
- <sup>xvii</sup> **"capital improved value"** means the market value of a property and is measured at the end of the year and includes all valuation adjustments (e.g. supplementary valuations)

# Independent Auditor's Report

## To the Councillors of Wangaratta Rural City Council

<p><b>Opinion</b></p>	<p>I have audited the accompanying performance statement of Wangaratta Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2020</li> <li>• sustainable capacity indicators for the year ended 30 June 2020</li> <li>• service performance indicators for the year ended 30 June 2020</li> <li>• financial performance indicators for the year ended 30 June 2020</li> <li>• basis of preparation and</li> <li>• the certification.</li> </ul> <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p><b>Basis for Opinion</b></p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p><b>Councillors' responsibilities for the performance statement</b></p>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p><b>Auditor's responsibilities for the audit of the performance statement</b></p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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

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

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

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

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MELBOURNE  
8 October 2020



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*





# Financial Report



**Wangaratta Rural City Council  
Financial Report 2019/2020  
Certification of the Consolidated  
Financial Statements**

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



**Anthea Sloan, Bachelor of Business (Accounting), Chartered Accountant  
Principal Accounting Officer**

**Date :**

*Wangaratta*

In our opinion the accompanying consolidated financial statements present fairly the financial transactions of Wangaratta Rural City Council and its controlled entity for the year ended 30 June 2020 and the financial position of the Council and its controlled entity as at that date.

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

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



**Dean Rees  
Councillor  
Date : 06 October 2020  
Wangaratta**



**Dave Fuller  
Councillor  
Date : 06 October 2020  
Wangaratta**



**Brendan McGrath  
Chief Executive Officer  
Date : 06 October 2020  
Wangaratta**

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Comprehensive Income Statement**  
For the Year Ended 30 June 2020

	Consolidated		Note	Council	
	2020 \$'000	2019 \$'000		2020 \$'000	2019 \$'000
<b>Income</b>					
Rates and charges	33,796	32,189	3.1	33,796	32,189
Statutory fees and fines	1,139	1,202	3.2	1,139	1,202
User fees	11,215	8,613	3.3	10,696	8,041
Grants - operating	17,160	15,082	3.4(a)	17,160	15,082
Grants - capital	7,728	4,544	3.4(b)	7,728	4,544
Contributions - monetary	407	593	3.5	407	593
Contributions - non monetary	2,439	1,175	3.5	2,439	1,175
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	289	(56)	3.6	289	(56)
Other income	4,014	2,230	3.7	4,025	2,230
<b>Total income</b>	<b>78,187</b>	<b>65,572</b>		<b>77,679</b>	<b>65,000</b>
<b>Expenses</b>					
Employee costs	25,015	23,415	4.1	24,827	23,227
Materials and services	23,524	19,443	4.2	23,300	19,268
Depreciation	15,032	16,789	4.3	15,008	16,783
Amortisation - intangible assets	105	315	4.4	105	315
Amortisation - right of use assets	69	-	4.5	62	-
Bad and doubtful debts	94	28	4.6	94	28
Borrowing costs	375	1,558	4.7	375	1,558
Finance costs - leases	12	-	4.8	10	-
Other expenses	7,725	403	4.9	7,725	403
<b>Total expenses</b>	<b>71,951</b>	<b>61,951</b>		<b>71,506</b>	<b>61,582</b>
<b>Surplus for the year</b>	<b>6,236</b>	<b>3,621</b>		<b>6,173</b>	<b>3,418</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods</b>					
Net asset revaluation increment/(decrement)	328	5,329	6.2	328	5,329
<b>Total comprehensive result</b>	<b>6,564</b>	<b>8,950</b>		<b>6,501</b>	<b>8,747</b>

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

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**

**Balance Sheet**

As at 30 June 2020

	Consolidated		Note	Council	
	2020 \$'000	2019 \$'000		2020 \$'000	2019 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	16,065	6,453	5.1(a)	15,744	6,129
Trade and other receivables	7,028	7,122	5.1(c)	6,991	7,085
Other financial assets	4,000	14,810	5.1(b)	4,000	14,810
Inventories	5	-	5.2(a)	1	-
Non-current assets classified as held for sale	2,386	2,110	6.1	2,386	2,110
Other assets	426	641	5.2(b)	426	641
<b>Total current assets</b>	<b>29,909</b>	<b>31,136</b>		<b>29,548</b>	<b>30,775</b>
<b>Non-current assets</b>					
Trade and other receivables	-	4	5.1(c)	-	4
Other financial assets	10	10	5.1(b)	10	10
Property, infrastructure, plant and equipment	577,676	556,229	6.2	577,572	556,176
Right-of-use assets	1,064	-	5.8	956	-
Intangible assets	2,501	1,369	5.2(c)	2,501	1,369
<b>Total non-current assets</b>	<b>581,251</b>	<b>557,612</b>		<b>581,039</b>	<b>557,559</b>
<b>Total assets</b>	<b>611,161</b>	<b>588,748</b>		<b>610,587</b>	<b>588,334</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	6,812	6,593	5.3(a)	6,784	6,547
Trust funds and deposits	1,578	1,488	5.3(b)	1,578	1,488
Unearned income	3,186	1,627	5.3(c)	3,186	1,627
Provisions	8,102	5,210	5.5(a)	8,085	5,197
Interest-bearing liabilities	1,170	442	5.4	1,170	442
Lease liabilities	180	-	5.8	169	-
<b>Total current liabilities</b>	<b>21,028</b>	<b>15,360</b>		<b>20,972</b>	<b>15,301</b>
<b>Non-current liabilities</b>					
Provisions	17,982	16,503	5.5	17,981	16,503
Interest-bearing liabilities	15,558	7,743	5.4	15,558	7,743
Lease liabilities	887	-	5.8	788	-
<b>Total non-current liabilities</b>	<b>34,427</b>	<b>24,246</b>		<b>34,327</b>	<b>24,246</b>
<b>Total liabilities</b>	<b>55,456</b>	<b>39,606</b>		<b>55,299</b>	<b>39,547</b>
<b>Net assets</b>	<b>555,705</b>	<b>549,142</b>		<b>555,288</b>	<b>548,787</b>
<b>Equity</b>					
Contributed Equity	152	152		-	-
Accumulated surplus	177,372	178,564		177,106	178,361
Reserves	378,181	370,426	9.1	378,182	370,426
<b>Total Equity</b>	<b>555,705</b>	<b>549,142</b>		<b>555,288</b>	<b>548,787</b>

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

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Statement of Changes in Equity**  
For the Year Ended 30 June 2020

Consolidated	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves		Contributed Equity	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Balance at beginning of the financial year		549,142	540,040	178,564	175,550	358,358	353,029	12,068	11,461	152	-
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers	10	-	-	-	-	-	-	-	-	-	-
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities	10	-	-	-	-	-	-	-	-	-	-
Impact of change in accounting policy - AASB 16 Leases	5.8	-	-	-	-	-	-	-	-	-	-
Adjusted Opening balance		549,142	540,040	178,564	175,550	358,358	353,029	12,068	11,461	152	-
Surplus for the year/(deficit)		6,236	3,621	6,236	3,621	-	-	-	-	-	-
Contributed equity		-	152	-	-	-	-	-	-	-	152
Net asset revaluation increment	6.2	328	5,329	-	-	328	5,329	-	-	-	-
Transfers to other reserves	9.1	-	-	(12,628)	(6,477)	-	-	12,628	6,477	-	-
Transfers from other reserves	9.1	-	-	5,201	5,870	-	-	(5,201)	(5,870)	-	-
<b>Balance at end of the financial year</b>		<b>555,705</b>	<b>549,142</b>	<b>177,372</b>	<b>178,564</b>	<b>358,686</b>	<b>358,358</b>	<b>19,496</b>	<b>12,068</b>	<b>152</b>	<b>152</b>

Council	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves		Other Reserves	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Balance at beginning of the financial year		548,787	540,040	178,361	175,550	358,358	353,029	12,068	11,461	-	-
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers	10	-	-	-	-	-	-	-	-	-	-
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities	10	-	-	-	-	-	-	-	-	-	-
Impact of change in accounting policy - AASB 16 Leases	5.8	-	-	-	-	-	-	-	-	-	-
Adjusted Opening balance		548,787	540,040	178,361	175,550	358,358	353,029	12,068	11,461	-	-
Surplus for the year		6,173	3,418	6,173	3,418	-	-	-	-	-	-
Net asset revaluation increment	9.1	328	5,329	-	-	328	5,329	-	-	-	-
Transfers to other reserves	9.1	-	-	(12,628)	(6,477)	-	-	12,628	6,477	-	-
Transfers from other reserves	9.1	-	-	5,201	5,870	-	-	(5,201)	(5,870)	-	-
<b>Balance at end of the financial year</b>		<b>555,288</b>	<b>548,787</b>	<b>177,106</b>	<b>178,361</b>	<b>358,686</b>	<b>358,358</b>	<b>19,496</b>	<b>12,068</b>	<b>-</b>	<b>-</b>

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

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Statement of Cash Flows**  
For the Year Ended 30 June 2020

	Consolidated		Note	Council	
	2020 \$'000	2019 \$'000		2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>					
Rates and charges	32,984	32,119		32,984	32,119
Statutory fees and fines	1,070	1,202		1,070	1,202
User charges	10,591	5,616		10,017	5,023
Grants - operating	18,305	15,082		18,305	15,082
Grants - capital	8,142	4,544		8,142	4,544
Contributions - monetary	407	593	3.5	407	593
Interest received	404	705		404	705
Trust funds and deposits taken	90	251		90	251
Reimbursements	1,428	1,312		1,428	1,312
Other receipts	30	48		41	48
Net GST (payment)/refund	477	616		473	616
Employee costs	(24,293)	(23,027)		(24,293)	(23,027)
Materials and services	(23,921)	(17,206)		(23,430)	(16,845)
Short-term, low value and variable lease payments	(115)	-	5.8	(115)	-
<b>Net cash provided by operating activities</b>	<b>25,599</b>	<b>21,855</b>	<b>9.2</b>	<b>25,523</b>	<b>21,623</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(37,100)	(32,844)		(37,030)	(32,826)
Proceeds from sale of property, infrastructure, plant and equipment	2,216	1,092		2,216	1,092
Net (increase)/decrease in other financial assets	10,810	5,023		10,810	5,023
<b>Net cash used in investing activities</b>	<b>(24,074)</b>	<b>(26,729)</b>		<b>(24,004)</b>	<b>(26,711)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(375)	(371)	4.7	(375)	(371)
Contributed capital	-	110		-	-
Proceeds from borrowings	8,984	-		8,984	-
Repayment of borrowings	(441)	(552)		(441)	(552)
Interest paid - lease liability	(12)	-		(10)	-
Repayment of lease liabilities	(70)	-		(62)	-
<b>Net cash used in financing activities</b>	<b>8,087</b>	<b>(813)</b>		<b>8,096</b>	<b>(923)</b>
Net increase in cash and cash equivalents	9,612	(5,687)		9,615	(6,011)
Cash and cash equivalents at the beginning of the financial year	6,453	12,140		6,129	12,140
<b>Cash and cash equivalents at the end of the financial year</b>	<b>16,065</b>	<b>6,453</b>	<b>5.1(a)</b>	<b>15,744</b>	<b>6,129</b>
<b>Financing arrangements</b>			<b>5.6</b>		
<b>Restrictions on cash assets</b>			<b>5.1</b>		

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

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Statement of Capital Works**  
For the Year Ended 30 June 2020

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Land</b>				
Land improvements	4,004	85	4,004	85
<b>Total land</b>	<b>4,004</b>	<b>85</b>	<b>4,004</b>	<b>85</b>
<b>Buildings</b>				
Buildings	1,337	1,473	1,337	1,473
Building improvements	-	-	-	-
Leasehold improvements	-	-	-	-
<b>Total Buildings</b>	<b>1,337</b>	<b>1,473</b>	<b>1,337</b>	<b>1,473</b>
<b>Total Property</b>	<b>5,341</b>	<b>1,558</b>	<b>5,341</b>	<b>1,558</b>
<b>Plant and equipment</b>				
Plant, machinery and equipment	2,539	1,346	2,465	1,346
Fixtures, fittings and furniture	246	159	246	159
Computers and telecommunications	522	310	522	310
Art Collection	10	-	10	-
Library books	185	183	185	183
<b>Total plant and equipment</b>	<b>3,502</b>	<b>1,998</b>	<b>3,428</b>	<b>1,998</b>
<b>Infrastructure</b>				
Roads	7,389	17,942	7,389	17,942
Bridges	132	446	132	446
Footpaths and cycleways	427	554	427	554
Drainage	2,016	1,621	2,016	1,621
Recreational, leisure and community facilities	12,904	1,944	12,904	1,944
Waste management	3,681	2,307	3,681	2,307
Parks, open space and streetscapes	320	2,877	320	2,877
Aerodromes	655	16	655	16
Off street car parks	1	54	1	54
Other infrastructure	45	1,513	45	1,513
<b>Total infrastructure</b>	<b>27,570</b>	<b>29,274</b>	<b>27,570</b>	<b>29,274</b>
<b>Total capital works expenditure</b>	<b>36,413</b>	<b>32,830</b>	<b>36,339</b>	<b>32,830</b>
<b>Represented by:</b>				
New asset expenditure	21,363	19,063	21,289	19,063
Asset renewal expenditure	9,396	10,694	9,396	10,694
Asset expansion expenditure	-	113	-	113
Asset upgrade expenditure	5,654	2,960	5,654	2,960
<b>Total capital works expenditure</b>	<b>36,413</b>	<b>32,830</b>	<b>36,339</b>	<b>32,830</b>

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



**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Notes to the Financial Report**  
For the Year Ended 30 June 2020

**OVERVIEW**

**Introduction**

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

**Statement of compliance**

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

**Significant accounting policies**

**(a) Basis of accounting**

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

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

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

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

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 (except where transitional requirements of AASB 15, AASB16 and AASB 1058 do not require restatement of comparatives under the modified retrospective approach adopted by Council), and disclosure has been made of any material changes to comparatives.

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Notes to the Financial Report**  
For the Year Ended 30 June 2020

**Note 1 Performance against budget**

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

The budget figures detailed below are those adopted by Council on 18 June 2019. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

**1.1 Income and expenditure**

	Budget	Actual	Variance	Variance	
	2020	2020	2020	%	Ref
	\$'000	\$'000	\$'000		
<b>Income</b>					
Rates and charges	33,656	33,796	140	0%	
Statutory fees and fines	1,204	1,139	(65)	-5%	
User fees	7,810	10,696	2,886	37%	1
Grants - operating	15,432	17,160	1,728	11%	2
Grants - capital	7,572	7,728	156	2%	
Contributions - monetary	275	407	132	48%	3
Contributions - non monetary	-	2,439	2,439		4
Net gain/(loss) on disposal of property, infrastructure, plant and	819	289	(530)	-65%	5
Other income	701	4,025	3,324	474%	6
<b>Total income</b>	<b>67,469</b>	<b>77,679</b>	<b>10,210</b>	<b>15%</b>	
<b>Expenses</b>					
Employee costs	24,163	24,827	(664)	-3%	7
Materials and services	20,058	23,300	(3,242)	-16%	8
Depreciation	18,822	15,008	3,814	20%	9
Amortisation - Intangible assets	-	105	(105)		
Amortisation - Right of use assets	-	62	(62)		
Bad and doubtful debts	-	94	(94)		
Borrowing costs	645	375	270	42%	10
Finance costs - Leases	-	10	(10)		
Other expenses	104	7,725	(7,621)	-7328%	11
<b>Total expenses</b>	<b>63,792</b>	<b>71,506</b>	<b>(7,714)</b>	<b>-12%</b>	
<b>Surplus for the year</b>	<b>3,677</b>	<b>6,173</b>	<b>2,496</b>	<b>68%</b>	

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Notes to the Financial Report**  
For the Year Ended 30 June 2020

**Note 1 Performance against budget (cont'd)**

**1.1 Income and expenditure (cont'd)**

**(i) Explanation of material variations**

<b>Variance Ref</b>	<b>Item</b>	<b>Explanation</b>
1	User fees	Commercial waste income received at Bowser Landfill exceeded budget by \$2.8m due to Council receiving substantial volumes of waste from the January 2020 bushfires.
2	Grants - operating	Council's Aged and Community Care operations have received approximately \$1.4m of additional operating grant money. This grant money fluctuates based on Government funded care packages and the assessed need for Council's clients. Council has also received a number of non-recurring grants due to the January 2020 bushfires.
3	Contributions - monetary	Council has received approximately \$150,000 in additional cash contributions in connection with developments approved by the Planning team.
4	Contributions - non monetary	Council does not budget for the contribution of non-monetary assets. The income relates to the value of assets transferred from developers to Council during the year. In 2019/20 Council had three subdivisions completed with assets worth \$2.4 million transferred by 30 June 2020.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The budgeted gain on sale of assets did not include the capitalised development costs shown at Note 6.1.
6	Other income	Other income includes \$648,000 of found artwork items and income of \$2.689m associated with the favourable movement in discount rates for the landfill provision. Both of these amounts were not budgeted.
7	Employee costs	There are no individually significant reasons for the 3% variance to adopted budget. It is noted that Council's employees supported the January 2020 bushfire emergency response and in some instances additional costs were incurred during this time. No significant changes to organisation structure or headcount occurred during the 2019/20 year.
8	Materials and services	Ongoing asset restoration work from the 2018 floods has resulted in an increase in expenditure of \$2m compared to the adopted budget. The budget was finalised before the full extent of the asset restoration works were known. Expenditure to service the increase in Aged and Community Care income has also occurred with an increase in expenses of almost \$1m.
9	Depreciation and amortisation	Council has recently identified some road assets have been over-depreciated in the 2018/19 year. The 2019/20 budget was prepared without this knowledge and therefore depreciation was overstated in the budget. A revaluation of the road assets will be completed in the 2020/21 year and Council will also reassess the useful life of these assets.
10	Borrowing costs	An interim loan facility was executed at lower interest rates than budgeted and a portion of new borrowings deferred to 2020/21.
11	Other expenses	Council's landfill rehabilitation provision has increased during 2019/20 due to increasing costs of rehabilitation. Council will commence rehabilitation of two cells in 2020/21 and the increase in provision reflects these higher costs. The underlying increase in the provision for closed landfill cells and sites is \$5.4m. This was unbudgeted. In addition, Council has identified \$1.6m of Work In Progress which does not meet the asset recognition criteria and these costs have been expensed to the Income Statement.

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Notes to the Financial Report**  
For the Year Ended 30 June 2020

**Note 1 Performance against budget (cont'd)**

**1.2 Capital works**

	Budget	Actual	Variance	Variance	
	2020	2020	2020	%	Ref
	\$'000	\$'000	\$'000		
<b>Land</b>					
Land improvements	-	4,004	4,004		1
<b>Total Land</b>	<b>-</b>	<b>4,004</b>	<b>4,004</b>		
<b>Buildings</b>					
Buildings	1,156	1,337	181	16%	2
<b>Total Buildings</b>	<b>1,156</b>	<b>1,337</b>	<b>181</b>	<b>16%</b>	
<b>Total Property</b>	<b>1,156</b>	<b>5,341</b>	<b>4,185</b>	<b>362%</b>	
<b>Plant and Equipment</b>					
Plant, machinery and equipment	1,634	2,465	831	51%	3
Fixtures, fittings and furniture	452	246	(206)	-46%	4
Computers and telecommunications	745	522	(223)	-30%	5
Art Collection	6	10	4	67%	
Library books	187	185	(2)	-1%	
<b>Total Plant and Equipment</b>	<b>3,024</b>	<b>3,428</b>	<b>404</b>	<b>13%</b>	
<b>Infrastructure</b>					
Roads	8,344	7,389	(955)	-11%	6
Bridges	294	132	(162)	-55%	7
Footpaths and cycleways	731	427	(304)	-42%	8
Drainage	2,045	2,016	(29)	-1%	
Recreational, leisure and community facilities	15,892	12,904	(2,988)	-19%	9
Waste management	2,796	3,681	885	32%	10
Parks, open space and streetscapes	2,854	320	(2,534)	-89%	11
Aerodromes	990	655	(335)	-34%	12
Off street car parks	1,564	1	(1,563)	-100%	13
Other infrastructure	-	45	45		
<b>Total Infrastructure</b>	<b>35,510</b>	<b>27,570</b>	<b>(7,940)</b>	<b>-22%</b>	
<b>Total Capital Works Expenditure</b>	<b>39,690</b>	<b>36,339</b>	<b>(3,351)</b>	<b>-8%</b>	
<b>Represented by:</b>					
New asset expenditure	20,925	21,289	364	2%	
Asset renewal expenditure	12,001	9,396	(2,605)	-22%	
Asset expansion expenditure	-	-	-		
Asset upgrade expenditure	6,764	5,654	(1,110)	-16%	
<b>Total Capital Works Expenditure</b>	<b>39,690</b>	<b>36,339</b>	<b>(3,351)</b>	<b>-8%</b>	

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Notes to the Financial Report**  
For the Year Ended 30 June 2020

**Note 1 Performance against budget (cont'd)**

**1.2 Capital works (cont'd)**

**(i) Explanation of material variations**

<b>Variance Ref</b>	<b>Item</b>	<b>Explanation</b>
1	Land improvements	Council reclassified works from Parks, open space and streetscapes to Land improvements after adoption of the budget. Works associated with the CBD Masterplan: Railway Precinct project exceeded delivery expectations for 2019/20. These increases in timing of expenditure were approved through budget variations at Council.
2	Buildings	No individually significant project accounts for this difference. It is noted that the budget adjustment and carry over process does make changes to the budget for capital works program and therefore variances to the adopted budget exist.
3	Plant, machinery and equipment	Council has reclassified some elements of the organics processing plant works as plant, machinery and equipment.
4	Fixtures, fittings and furniture	The street banners program for 2019/20 was delivered under budget and delivered savings of \$174,000 in 2019/20.
5	Computers and telecommunications	Council paused work on a broad range of technology projects and instead have developed a comprehensive ICT Strategy with a 5 year implementation plan which is now included in Council's Strategic Resource Plan and Long Term Financial Plan.
6	Roads	In response to COVID-19 and the uncertain economic conditions Council chose to pause work on a number of foot path projects. These projects were identified in the May 2020 Council resolution. During the 2019/20 year Council resolved to increase the road capital works budget through carry overs and budget review resulting in expenditure on the Wangaratta-Eldorado Road and Bourke Road intersection (\$220,000) and road street reconstruction (\$270,000) that was not included in the Adopted Budget.
7	Bridges	Bridge design works were delivered under budget by \$50,000 and Council has deferred part of the Sinclair Lane major culvert works to 2020/21.
8	Footpaths and cycleways	In response to COVID-19 and the uncertain economic conditions Council chose to pause work on a number of foot path projects. These projects were identified in the May 2020 Council resolution.
9	Recreational, leisure and community facilities	Works associated with the Aquatics Plan were impacted by the COVID-19 work and travel restrictions and some of this work will now be completed in the 2020/21 year. A number of other smaller projects were paused for 2019/20 due to the initial assessment of how COVID-19 would impact the broader community.
10	Waste management	Completion of the organisation processing plant occurred in 2019/20 and there were some cost increases associated with this project and its associated machinery. A carry over of \$560,000 was approved in September 2019.
11	Parks, open space and streetscapes	The North Wangaratta Reserve Lighting Upgrade for \$516,000 has been deferred pending receipt of a Funding Agreement from the Commonwealth Government. Progress with the delivery of the Mitchell Avenue Children's Garden was delayed and \$300,000 of this project expenditure has been reallocated to 2020/21. Further, as noted above at the explanation for land improvements, some projects were reclassified.
12	Aerodromes	Delivery of the aerodrome works was partly deferred and scheduled for completion in 2020/21. No change to the project scope or costs has occurred.
13	Off street car parks	The car park works at the HP Barr Reserve have been consolidated into the larger Aquatic Plan which is reported under recreation, leisure and community facilities. This variance is solely due to a reclassification of the works.

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Notes to the Financial Report**  
For the Year Ended 30 June 2020

**Note 2 Analysis of Council results by program**

Council delivers its functions and activities through the following programs.

**2 (a) Executive Services**

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

**Corporate Services**

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

**Development Services**

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

**Community Wellbeing**

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

**Infrastructure Services**

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

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Notes to the Financial Report**  
For the Year Ended 30 June 2020

**Note 2 Analysis of Council results by program**

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

	Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>					
Executive Services	13	933	(920)	-	-
Corporate Services	44,464	26,985	17,479	7,428	1,200
Development Services	3,995	5,653	(1,658)	218	-
Community Wellbeing	12,954	16,435	(3,481)	8,797	2,248
Infrastructure Services	13,517	18,764	(5,247)	8,445	607,139
	<b>74,943</b>	<b>68,770</b>	<b>6,173</b>	<b>24,888</b>	<b>610,587</b>
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>					
Executive Services	7	985	(978)	-	-
Corporate Services	43,945	23,962	19,983	7,453	1,004
Development Services	2,385	5,969	(3,584)	289	-
Community Wellbeing	10,883	14,930	(4,047)	7,230	1,592
Infrastructure Services	7,780	15,736	(7,956)	4,654	585,738
	<b>65,000</b>	<b>61,582</b>	<b>3,418</b>	<b>19,626</b>	<b>588,334</b>

**Wangaratta Rural City Council**  
**Financial Report 2019/2020**  
**Notes to the Financial Report**  
For the Year Ended 30 June 2020

**Note 3 Funding for the delivery of our services**

**3.1 Rates and charges**

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

The valuation base used to calculate general rates for 2019/20 was \$5,939,802,000 (2018/19 \$5,525,378,000).

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
General Rates	11,816	11,641	11,816	11,641
Rural	6,140	5,704	6,140	5,704
Rural residential	4,857	4,657	4,857	4,657
Commercial/industrial	112	115	112	115
Commercial	2,919	2,839	2,919	2,839
Industrial	1,178	1,129	1,178	1,129
Cultural and recreational	22	21	22	21
Garbage	3,046	2,860	3,046	2,860
Recycling	1,926	1,722	1,926	1,722
Organics	1,464	1,320	1,464	1,320
Supplementary rates and rate adjustments	316	181	316	181
<b>Total rates and charges</b>	<b>33,796</b>	<b>32,189</b>	<b>33,796</b>	<b>32,189</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation was applied in the rating year commencing 1 July 2019.

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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Animal Registrations	354	369	354	369
Vehicle Crossing	68	25	68	25
Health fees	153	156	153	156
Infringements and costs	151	341	151	341
Land information certificates	28	28	28	28
Planning and building fees	376	269	376	269
Election Fines	3	4	3	4
Library Fines	6	10	6	10
<b>Total statutory fees and fines</b>	<b>1,139</b>	<b>1,202</b>	<b>1,139</b>	<b>1,202</b>

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.



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

**3.3 User fees**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Aged and disability services	1,240	1,073	1,240	1,073
Aerodrome	6	6	6	6
Building and planning fees	300	288	300	288
Cemetery	283	298	283	298
Children's services	2,227	2,221	2,227	2,221
Community compliance	7	15	7	15
Events	-	9	-	9
Engineering fees	102	158	102	158
External private works	50	42	50	42
Landfill and transfer station charges	4,788	1,858	4,788	1,858
Library	72	136	72	136
Livestock exchange fees	519	607	-	35
Parking	287	398	287	398
Performing arts and culture	541	584	541	584
Regional Certification	33	9	33	9
Rental properties	372	603	372	603
Tourism	21	27	21	27
Other	367	281	367	281
<b>Total user fees</b>	<b>11,215</b>	<b>8,613</b>	<b>10,696</b>	<b>8,041</b>

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

**3.4 Funding from other levels of government**

Grants were received in respect of the following :

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Summary of grants</b>				
Commonwealth funded grants	17,467	13,061	17,467	13,061
State funded grants	7,421	6,565	7,421	6,565
<b>Total grants received</b>	<b>24,888</b>	<b>19,626</b>	<b>24,888</b>	<b>19,626</b>

**(a) Operating Grants**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Recurrent - Commonwealth Government</b>				
Community Support North East - Commonwealth funded programs	6,301	4,392	6,301	4,392
Financial Assistance Grants - local roads	2,512	2,398	2,512	2,398
Financial Assistance Grants - unallocated	4,916	5,056	4,916	5,056
<b>Recurrent - State Government</b>				
Aged and disability	504	478	504	478
Culture and recreation	115	172	115	172
Emergency	60	60	60	60
Environment	35	33	35	33
Family day care	538	580	538	580
Library	236	230	236	230
Maternal and child health	460	435	460	435
Youth Services	23	70	23	70
Other	60	186	60	186
<b>Total recurrent operating grants</b>	<b>15,760</b>	<b>14,090</b>	<b>15,760</b>	<b>14,090</b>

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

(a) Operating Grants (cont'd)

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-recurrent - Commonwealth Government</b>				
Community Wellbeing	10	-	10	-
<b>Non-recurrent - State Government</b>				
Community Wellbeing	356	-	356	-
Cultural development	202	627	202	627
Age and disability	-	-	-	-
Environmental enhancement	53	108	53	108
Waste	-	-	-	-
Corporate Services	81	82	81	82
Children's Services	84	118	84	118
Levy bank repairs	-	14	-	14
Economic development	10	-	10	-
Events	3	5	3	5
People and Culture	-	2	-	2
Planning	18	1	18	1
Tourism projects	-	35	-	35
Other	583	-	583	-
<b>Total non-recurrent operating grants</b>	<b>1,400</b>	<b>992</b>	<b>1,400</b>	<b>992</b>
<b>Total operating grants</b>	<b>17,160</b>	<b>15,082</b>	<b>17,160</b>	<b>15,082</b>

(b) Capital Grants

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Recurrent - Commonwealth Government</b>				
Roads to recovery	1,554	1,076	1,554	1,076
<b>Total recurrent capital grants</b>	<b>1,554</b>	<b>1,076</b>	<b>1,554</b>	<b>1,076</b>

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

**(b) Capital Grants (cont'd)**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-recurrent - Commonwealth Government</b>				
Aquatics plan - WSAC Development	2,165	129	2,165	129
Wangaratta Aerodrome - Commercial Hangars	-	10	-	10
Showgrounds Electronic Switchboard	9	-	9	-
<b>Non-recurrent - State Government</b>				
Wangaratta-Eldorado Road / Bourke Road Intersection	132	710	132	710
Coronation Pre School	-	335	-	335
Railway Precinct	2,163	300	2,163	300
Organics processing plant	319	236	319	236
Bus Shelter Construction	22	204	22	204
Mitchell Avenue Children's Garden Construction	180	180	180	180
E-waste infrastructure	-	98	-	98
Wangaratta Flood Mitigation Strategy and Design - Areas Prot	-	590	-	590
Sisely Avenue / Swan Street Intersection	231	116	231	116
Design - Greta Rd/Mason St Roundabout Improvement	334	153	334	153
Safe pedestrian crossings	50	30	50	30
South Wangaratta Reserve Lighting Upgrade	219	207	219	207
Bridge Renewal	-	10	-	10
Appin Park Lighting	-	10	-	10
WJ Findlay Oval Lighting	141	150	141	150
Kyamba Foundation	10	-	10	-
Moyhu Road & Drainage Renewal	2	-	2	-
Moyhu Recreation Reserve Female Friendly Facility	9	-	9	-
Flood Event 13 Dec 2018	136	-	136	-
Premier's Reading Challenge	8	-	8	-
19/20 New Footpath/Shared Path Program	44	-	44	-
<b>Total non-recurrent capital grants</b>	<b>6,174</b>	<b>3,468</b>	<b>6,174</b>	<b>3,468</b>
<b>Total capital grants</b>	<b>7,728</b>	<b>4,544</b>	<b>7,728</b>	<b>4,544</b>

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

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Operating</b>				
Balance at start of year	424	197	424	197
Received during the financial year and remained unspent at balance date	521	424	521	424
Received in prior years and spent during the financial year	(374)	(197)	(374)	(197)
<b>Balance at year end</b>	<b>571</b>	<b>424</b>	<b>571</b>	<b>424</b>
<b>Capital</b>				
Balance at start of year	1,323	2,322	1,323	2,322
Received during the financial year and remained unspent at balance date	429	1,323	429	1,323
Received in prior years and spent during the financial year	(1,338)	(2,322)	(1,338)	(2,322)
<b>Balance at year end</b>	<b>414</b>	<b>1,323</b>	<b>414</b>	<b>1,323</b>

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

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

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**3.5 Contributions**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Monetary	407	593	407	593
Non-monetary	2,439	1,175	2,439	1,175
<b>Total contributions</b>	<b>2,846</b>	<b>1,768</b>	<b>2,846</b>	<b>1,768</b>
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>				
Artwork	-	-	-	-
Drainage	729	505	729	505
Paths	321	60	321	60
Roads (including Kerbing)	1,389	610	1,389	610
<b>Total non-monetary contributions</b>	<b>2,439</b>	<b>1,175</b>	<b>2,439</b>	<b>1,175</b>

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

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

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Proceeds of sale	2,216	1,092	2,216	1,092
Written down value of assets disposed	(1,927)	(1,148)	(1,927)	(1,148)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>289</b>	<b>(56)</b>	<b>289</b>	<b>(56)</b>

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

**3.7 Other income**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest	329	705	329	705
Reimbursements - other	224	104	224	104
Reimbursements - Natural disasters	94	1,208	94	1,208
Decrease in provision for landfill arising from changes in discount rates	2,689	-	2,689	-
Found Assets - Paths & Artwork Assets	648	165	648	165
Other	30	48	41	48
<b>Total other income</b>	<b>4,014</b>	<b>2,230</b>	<b>4,025</b>	<b>2,230</b>

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income. A substantial change in the long term discount rates applied in the calculation of rehabilitation provisions for Council's landfills has resulted in a decrease to the landfill provision of \$2.689 million.

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**Note 4 The cost of delivering services**

**4.1 (a) Employee costs**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Wages and salaries	19,326	17,994	19,157	17,834
Annual leave and long service leave	2,934	2,940	2,930	2,927
WorkCover	225	199	224	198
Superannuation	2,220	1,885	2,205	1,871
Redundancy	46	115	46	115
Other	265	282	265	282
<b>Total employee costs</b>	<b>25,015</b>	<b>23,415</b>	<b>24,827</b>	<b>23,227</b>

**(b) Superannuation**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Council made contributions to the following funds:				
<b>Defined benefit fund</b>				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	65	94	65	94
	65	94	65	94
Employer contributions payable at reporting date.	-	-	-	-
<b>Accumulation funds</b>				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,211	1,293	1,211	1,293
Employer contributions - other funds	785	694	785	680
	1,996	1,987	1,996	1,973
Employer contributions payable at reporting date.	<b>106</b>	<b>87</b>	<b>106</b>	<b>87</b>

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

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**4.2 Materials and services**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Contract payments	6,469	6,053	6,469	6,053
Plant operating	3,421	3,462	3,421	3,462
Packaged care brokerage	2,428	1,526	2,428	1,526
Other materials and services	3,422	1,474	3,422	1,474
Utilities	1,141	1,106	1,141	1,106
Community grants and contributions	636	979	636	979
Consultants	1,028	842	1,028	842
Levies and licences	1,065	1,036	1,065	1,036
Software maintenance	669	477	669	477
Insurance	489	472	489	472
Staff development	413	324	413	324
Advertising and promotion	570	246	570	246
Security	211	208	211	208
Packaged care unspent funds transferred	290	181	290	181
Telephone	290	127	290	127
Brokerage fees - HACC	167	123	167	123
Legal Expenses	52	102	52	102
Natural disasters	29	89	29	89
Postage	85	87	85	87
Bank charges	72	74	72	74
Minor equipment	138	72	138	72
Printing and stationery	64	71	64	71
Subscriptions & publications	95	64	95	64
Building maintenance	21	31	21	31
Valuation Contract	35	24	35	24
Plant and equipment maintenance	-	18	-	18
Livestock exchange	224	175	-	-
<b>Total materials and services</b>	<b>23,524</b>	<b>19,443</b>	<b>23,300</b>	<b>19,268</b>

**4.3 Depreciation**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Property	1,250	1,252	1,250	1,252
Plant and equipment	2,479	2,493	2,456	2,487
Infrastructure	11,303	13,044	11,303	13,044
<b>Total depreciation</b>	<b>15,032</b>	<b>16,789</b>	<b>15,008</b>	<b>16,783</b>

2020: 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Landfill airspace	105	315	105	315
<b>Total Amortisation - Intangible assets</b>	<b>105</b>	<b>315</b>	<b>105</b>	<b>315</b>

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**4.5 Amortisation - Right of use assets**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Property	7	-	-	-
Vehicles	62	-	62	-
<b>Total Amortisation - Right of use assets</b>	<b>69</b>	<b>-</b>	<b>62</b>	<b>-</b>

**4.6 Bad and doubtful debts**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Parking fine debtors	48	28	48	28
Other debtors	46	-	46	-
<b>Total bad and doubtful debts</b>	<b>94</b>	<b>28</b>	<b>94</b>	<b>28</b>

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>Movement in provisions for doubtful debts</b>				
Balance at the beginning of the year	155	127	155	127
New Provisions recognised during the year	94	28	94	28
Balance at end of year	<b>249</b>	<b>155</b>	<b>249</b>	<b>155</b>

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

**4.7 Borrowing costs**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Interest - Borrowings	375	371	375	371
Increase in provision for landfill arising from changes in discount rates	-	1,187	-	1,187
<b>Total borrowing costs</b>	<b>375</b>	<b>1,558</b>	<b>375</b>	<b>1,558</b>

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	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Interest - Lease Liabilities	12	-	10	-
<b>Total finance costs</b>	<b>12</b>	<b>-</b>	<b>10</b>	<b>-</b>

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**4.9 Other expenses**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	62	39	62	39
Auditors' remuneration - Internal	23	43	23	43
Councillors' allowances	267	271	267	271
Revaluation of library books	196	-	196	-
Write off of non-capital items from WIP	1,643	-	1,643	-
Recognition of additional landfill provision - closed sites	5,432	-	5,432	-
Pension rebate -Recycling	44	43	44	43
Other expenses	51	-	51	-
New industry rate assistance	7	7	7	7
<b>Total other expenses</b>	<b>7,725</b>	<b>403</b>	<b>7,725</b>	<b>403</b>



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**Note 5 Our financial position**

**5.1 Financial assets**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>(a) Cash and cash equivalents</b>				
Cash on hand	5	6	5	6
Cash at bank	504	804	183	480
Money market at call account	15,556	5,643	15,556	5,643
Term deposits	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>16,065</b>	<b>6,453</b>	<b>15,744</b>	<b>6,129</b>
<b>(b) Other financial assets</b>				
Term deposits - current	4,000	14,810	4,000	14,810
Municipal Association Purchasing Scheme (MAPS) at cost	10	10	10	10
<b>Total other financial assets</b>	<b>4,010</b>	<b>14,820</b>	<b>4,010</b>	<b>14,820</b>
<b>Total financial assets</b>	<b>20,075</b>	<b>21,273</b>	<b>19,754</b>	<b>20,949</b>

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

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
- Grants (Note 3.4)	985	1,747	985	1,747
- Unearned income (Note 5.3)	2,201	1,627	2,201	1,627
- Trust funds and deposits (Note 5.3)	1,578	1,488	1,578	1,488
<b>Total restricted funds</b>	<b>4,764</b>	<b>4,862</b>	<b>4,764</b>	<b>4,862</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>11,301</b>	<b>1,591</b>	<b>10,980</b>	<b>1,267</b>

**Intended allocations**

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

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
- reserve funds allocated for specific future purposes (Note 9.1(b))	19,496	12,067	19,496	12,067
<b>Total funds subject to intended allocations</b>	<b>19,496</b>	<b>12,067</b>	<b>19,496</b>	<b>12,067</b>

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

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

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**5.1 Financial assets (cont'd)**

**(c) Trade and other receivables**

Current	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Statutory receivables</b>				
Rates and garbage debtors	1,833	1,021	1,833	1,021
Fire services property levy	224	141	224	141
Cemetery	42	40	42	40
Net GST receivable	544	1,017	544	1,017
Parking and animal infringement debtors	619	587	619	587
Less provision for doubtful debts - parking infringements	(203)	(155)	(203)	(155)
Interest on rates and garbage receivable and investments	55	130	55	130
<b>Non statutory receivables</b>				
Natural disaster reimbursements	472	1,582	472	1,582
Livestock Exchange	37	37	-	-
Other debtors	3,447	2,718	3,447	2,718
Less provision for doubtful debts - other debtors	(46)	-	(46)	-
Loans and advances to community organisations	4	4	4	4
<b>Total current trade and other receivables</b>	<b>7,028</b>	<b>7,122</b>	<b>6,991</b>	<b>7,085</b>
<b>Non-current</b>				
<b>Non statutory receivables</b>				
Loans and advances to community organisations	-	4	-	4
Total non-current trade and other receivables	-	4	-	4
<b>Total trade and other receivables</b>	<b>7,028</b>	<b>7,126</b>	<b>6,991</b>	<b>7,089</b>

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 & other receivables (excluding statutory receivables) that are not impaired was:

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current (not yet due)	3,625	3,721	3,599	3,690
Past due by up to 30 days	15	425	8	420
Past due between 31 and 180 days	314	147	310	147
Past due between 181 and 365 days	1	18	1	17
Past due by more than 1 year	5	30	5	30
<b>Total trade &amp; other receivables</b>	<b>3,960</b>	<b>4,341</b>	<b>3,923</b>	<b>4,304</b>

**(e) Ageing of individually impaired Receivables**

At balance date other debtors representing financial assets with a nominal value of \$806k (2019: \$620k) were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default.

The amount of the provision raised against these debtors was \$46k (2019: Nil). They have individually been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collection agency or are on payment terms.

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

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current (not yet due)	-	-	-	-
Past due by up to 30 days	-	-	-	-
Past due between 31 and 180 days	-	-	-	-
Past due between 181 and 365 days	-	-	-	-
Past due by more than 1 year	(46)	-	(46)	-
<b>Total trade &amp; other receivables</b>	<b>(46)</b>	<b>-</b>	<b>(46)</b>	<b>-</b>

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**5.2 Non-financial assets**

**(a) Inventories**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Inventories held for distribution	5	-	1	-
<b>Total inventories</b>	<b>5</b>	<b>-</b>	<b>1</b>	<b>-</b>

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	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Prepayments	426	641	426	641
<b>Total other assets</b>	<b>426</b>	<b>641</b>	<b>426</b>	<b>641</b>

**(c) Intangible assets**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Landfill air space	2,501	1,369	2,501	1,369
<b>Total intangible assets</b>	<b>2,501</b>	<b>1,369</b>	<b>2,501</b>	<b>1,369</b>

	Landfill	Total	Landfill	Total
	\$'000	\$'000	\$'000	\$'000
<b>Gross carrying amount</b>				
Balance at 1 July 2019	2,273	2,273	2,273	2,273
Additions from internal developments	-	-	-	-
Other additions	1,237	-	1,237	-
<b>Balance at 1 July 2020</b>	<b>3,510</b>	<b>2,273</b>	<b>3,510</b>	<b>2,273</b>
<b>Accumulated amortisation and impairment</b>				
Balance at 1 July 2019	904	589	904	589
Amortisation expense	105	315	105	315
<b>Balance at 1 July 2020</b>	<b>1,009</b>	<b>904</b>	<b>1,009</b>	<b>904</b>
Net book value at 30 June 2019	1,369	1,684	1,369	1,684
<b>Net book value at 30 June 2020</b>	<b>2,501</b>	<b>1,369</b>	<b>2,501</b>	<b>1,369</b>

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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**5.3 Payables**

**(a) Trade and other payables**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Current</b>				
Materials and contracts	5,018	5,196	5,009	5,179
Employee costs	1,293	1,144	1,293	1,144
Accrued expenses	484	232	482	224
June BAS Livestock	17	21	-	-
<b>Total trade and other payables</b>	<b>6,812</b>	<b>6,593</b>	<b>6,784</b>	<b>6,547</b>

**(b) Trust funds and deposits**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Retention contract deposits	306	382	306	382
Refundable subdivision securities	501	522	501	522
Refundable relocate dwellings	31	31	31	31
Fire Services Property Levy	468	337	468	337
Wangaratta Performing Arts Centre	190	171	190	171
Other	82	45	82	45
<b>Total trust funds and deposits</b>	<b>1,578</b>	<b>1,488</b>	<b>1,578</b>	<b>1,488</b>

**(c) Unearned income**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Grants in advance operating	571	-	571	-
Grants in advance capital	414	-	414	-
Funding held for Aged & Disability customers	2,201	1,627	2,201	1,627
<b>Total unearned income</b>	<b>3,186</b>	<b>1,627</b>	<b>3,186</b>	<b>1,627</b>

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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**5.4 Interest-bearing liabilities**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Current</b>				
Borrowings - secured	1,170	442	1,170	442
<b>Non-current</b>				
Borrowings - secured	15,558	7,743	15,558	7,743
<b>Total</b>	<b>16,728</b>	<b>8,185</b>	<b>16,728</b>	<b>8,185</b>
(a) The maturity profile for Council's borrowings is:				
Not later than one year	1,170	442	1,170	442
Later than one year and not later than five years	11,733	691	11,733	691
Later than five years	3,825	7,052	3,825	7,052
<b>Total</b>	<b>16,728</b>	<b>8,185</b>	<b>16,728</b>	<b>8,185</b>

Borrowings are secured over the rates & charges of Council.

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

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

**5.5 Provisions**

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
<b>2020</b>			
Balance at beginning of the financial year	5,836	15,864	21,700
Additional provisions	2,989	6,670	9,659
Amounts used	(2,507)	-	(2,507)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(97)	(2,689)	(2,786)
<b>Balance at the end of the financial year</b>	<b>6,221</b>	<b>19,845</b>	<b>26,066</b>
<b>2019</b>			
Balance at beginning of the financial year	5,675	14,677	20,352
Additional provisions	2,982	-	2,982
Amounts used	(2,821)	-	(2,821)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	1,187	1,187
<b>Balance at the end of the financial year</b>	<b>5,836</b>	<b>15,864</b>	<b>21,700</b>

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**5.5 Provisions (cont'd)**

**(a) Employee provisions**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Current provisions expected to be wholly settled within 12 months</b>				
Annual leave	2,259	1,982	2,246	1,972
Long service leave	338	266	337	266
Accumulated time	243	-	243	-
Rostered days off	-	254	-	254
Time accrued	4	139	-	136
	<b>2,843</b>	<b>2,641</b>	<b>2,826</b>	<b>2,628</b>
<b>Current provisions expected to be wholly settled after 12 months</b>				
Annual leave	36	82	36	82
Long service leave	2,631	2,487	2,631	2,487
	<b>2,667</b>	<b>2,569</b>	<b>2,667</b>	<b>2,569</b>
<b>Total current employee provisions</b>	<b>5,510</b>	<b>5,210</b>	<b>5,493</b>	<b>5,197</b>
<b>Non-current</b>				
Long service leave	729	639	728	639
<b>Total non-current employee provisions</b>	<b>729</b>	<b>639</b>	<b>728</b>	<b>639</b>
<b>Aggregate carrying amount of employee provisions:</b>				
Current	5,510	5,210	5,493	5,197
Non-current	728	639	728	639
<b>Total aggregate carrying amount of employee provisions</b>	<b>6,238</b>	<b>5,849</b>	<b>6,221</b>	<b>5,836</b>

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

*Wages and salaries and annual leave*

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

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

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**(a) Employee provisions (cont'd)**

*Long service leave*

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

Key assumptions:

	Consolidated		Council	
	2020	2019	2020	2019
- discount rate	0.87%	2.30%	0.87%	2.30%
- index rate	-	-	-	-
- inflation rate	1.50%	1.50%	1.50%	1.50%
- settlement rate	-	-	-	-

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

**(b) Landfill restoration**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current	2,592	-	2,592	-
Non-current	17,253	15,864	17,253	15,864
	<b>19,845</b>	<b>15,864</b>	<b>19,845</b>	<b>15,864</b>

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

Key assumptions:

	Consolidated		Council	
	2020	2019	2020	2019
- index rate	1.04%	2.91%	1.04%	2.91%
- discount rate	0.43%	1.61%	0.43%	1.61%

Annual discount rates are taken from the Millman Research, Group of 100 Discount Rate, Research Report July 2020

**.6 Financing arrangements**

Council has the following funding arrangements in place as at 30 June 2020.

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Bank overdraft	400	400	400	400
Credit card facilities	213	213	213	213
<b>Total facilities</b>	<b>613</b>	<b>613</b>	<b>613</b>	<b>613</b>
Used facilities	26	29	26	29
Unused facilities	587	584	587	584

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**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.

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



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**5.7 Commitments (cont'd)**

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

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## 5.8 Leases

### Policy applicable before 1 July 2019

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

### Policy applicable after 1 July 2019

Council has applied *AASB 16 Leases* using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to *AASB 16 Leases*, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied *AASB 16 Leases* only to contracts that were previously identified as 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.

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**5.8 Leases (cont'd)**

**Right-of-Use Assets**

Balance at 1 July 2019  
Additions  
Amortisation charge  
Balance at 30 June 2020

Consolidated			
\$'000	\$'000	\$'000	\$'000
Property	Vehicles	Other, etc.	Total
-	-	-	-
115	1,018	-	1,133
(7)	(62)	-	(69)
<b>108</b>	<b>956</b>	<b>-</b>	<b>1,064</b>

Balance at 1 July 2019  
Additions  
Amortisation charge  
Balance at 30 June 2020

Council			
\$'000	\$'000	\$'000	\$'000
Property	Vehicles	Other, etc.	Total
-	-	-	-
-	1,018	-	1,018
-	(62)	-	(62)
<b>-</b>	<b>956</b>	<b>-</b>	<b>956</b>

**Lease Liabilities**

Maturity analysis - contractual undiscounted cash flows  
Less than one year  
One to five years  
More than five years  
Total undiscounted lease liabilities as at 30 June:

Consolidated		Council	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000
224	-	213	-
994	-	895	-
-	-	-	-
<b>1,218</b>	<b>-</b>	<b>1,108</b>	<b>-</b>

Lease liabilities included in the Balance Sheet at 30 June:  
Current  
Non-current  
Total lease liabilities

180	-	169	-
887	-	788	-
<b>1,067</b>	<b>-</b>	<b>957</b>	<b>-</b>

**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.

**Expenses relating to:**

Short-term leases  
Leases of low value assets  
**Total**

Consolidated		Council	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000
-	-	-	-
124	-	115	-
<b>124</b>	<b>-</b>	<b>115</b>	<b>-</b>

**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:

Payable:  
Within one year  
Later than one year but not later than five years  
Total lease commitments

Consolidated		Council	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000
58	-	47	-
99	-	-	-
<b>157</b>	<b>-</b>	<b>47</b>	<b>-</b>

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**5.8 Leases (cont'd)**

i. Leases classified as operating leases under *AASB 117 Leases*

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying *AASB 16 Leases* to leases previously classified as operating leases under *AASB 117 Leases*:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Council is not required to make any adjustments on transition to *AASB 16 Leases* for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with *AASB 16 Leases* from the date of initial application.

**Impact on financial statements**

On transition to *AASB 16 Leases*, Council recognised Nil right-of-use assets and Nil lease liabilities.

	<b>2019</b> <b>\$'000</b>
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	114
Discounted using the incremental borrowing rate at 1 July 2019	-
Finance lease liability recognised as at 30 June 2019	<b>114</b>
- Recognition exemption for:	
short-term leases	-
leases of low-value assets	(114)
- Extension and termination options reasonably certain to be exercised	-
- Residual value guarantees	-
- Lease liabilities recognised as at 1 July 2019	-

**Note 6 Assets we manage**

**6.1 Non current assets classified as held for sale**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Balance at start of year	2,110	3,788	2,110	3,788
Less assets disposed	(1,414)	(677)	(1,414)	(677)
Less assets no longer held for sale	-	(1,001)	-	(1,001)
Assets transferred from IPP&E	1,126	-	1,126	-
Capitalised development costs (eg roads, drainage)	564	-	564	-
<b>Total non current assets classified as held for sale</b>	<b>2,386</b>	<b>2,110</b>	<b>2,386</b>	<b>2,110</b>

At 30 June 2020 assets held for sale include industrial land of \$874,000, the old Ovens College site of \$1,260,462 and Max Parkinson land, land improvements and buildings of \$252,2014.

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

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6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

**Consolidated**

Category	Fair Value 30	Additions	Contributions	Revaluation	Found Assets	Depreciation	Disposal	Write-off	Transfers	Transfers WIP	Fair Value 30
	June 2019										June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	95,832	-	-	(2)	-	(1,250)	-	-	(1,126)	(2,707)	90,747
Plant and equipment	11,655	811	-	207	648	(2,479)	(216)	-	-	1,908	12,534
Infrastructure	427,556	-	2,430	123	-	(11,303)	(355)	-	-	11,309	429,760
Work in progress	21,186	35,602	-	-	-	-	-	(1,643)	-	(10,510)	44,635
<b>Total</b>	<b>556,229</b>	<b>36,413</b>	<b>2,430</b>	<b>328</b>	<b>648</b>	<b>(15,032)</b>	<b>(571)</b>	<b>(1,643)</b>	<b>(1,126)</b>	<b>-</b>	<b>577,676</b>

**Council**

Category	Fair Value 30	Additions	Contributions	Revaluation	Found Assets	Depreciation	Disposal	Write-off	Transfers	Transfers WIP	Fair Value 30
	June 2019										June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	95,832	-	-	(2)	-	(1,250)	-	-	(1,126)	(2,707)	90,747
Plant and equipment	11,602	737	-	207	648	(2,456)	(216)	-	-	1,908	12,430
Infrastructure	427,556	-	2,430	123	-	(11,303)	(355)	-	-	11,309	429,760
Work in progress	21,186	35,602	-	-	-	-	-	(1,643)	-	(10,510)	44,635
<b>Total</b>	<b>556,176</b>	<b>36,339</b>	<b>2,430</b>	<b>328</b>	<b>648</b>	<b>(15,008)</b>	<b>(571)</b>	<b>(1,643)</b>	<b>(1,126)</b>	<b>-</b>	<b>577,572</b>

Summary of Work in Progress

**Council/Consolidated**

Category	Balance 30	Additions	Write Offs	Transfers	Balance 30
	June 2019				June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	695	5,341	(301)	1,754	7,489
Plant and equipment	286	2,691	(53)	(1,908)	1,016
Infrastructure	20,205	27,570	(1,289)	(10,356)	36,130
<b>Total</b>	<b>21,186</b>	<b>35,602</b>	<b>(1,643)</b>	<b>(10,510)</b>	<b>44,635</b>

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

**(a) Property**

**Council/Consolidated**

	Land			Buildings			Work In Progress \$'000	Property Total \$'000
	Specialised \$'000	Non-specialised \$'000	Improvements \$'000	Total \$'000	Heritage \$'000	Non-specialised \$'000		
At fair value 30 June 2019	23,884	30,453	20,856	75,193	2,751	85,682	695	164,321
Accumulated depreciation at 30 June 2019	-	-	(12,630)	(12,630)	(2,355)	(52,809)	-	(67,794)
<b>Fair value 30 June 2019</b>	<b>23,884</b>	<b>30,453</b>	<b>8,226</b>	<b>62,563</b>	<b>396</b>	<b>32,873</b>	<b>695</b>	<b>96,527</b>
<b>Movements in fair value</b>								
Additions	-	-	-	-	-	-	5,341	5,341
Contributions	-	-	-	-	-	-	-	-
Revaluation	-	-	(2)	(2)	-	-	-	(2)
Disposal	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	(301)	(301)
Transfer to assets held for sale	-	(1,100)	(21)	(1,121)	-	(32)	-	(1,153)
Transfers from WIP	510	-	(2,228)	(1,718)	-	(989)	1,754	(953)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
<b>Total</b>	<b>510</b>	<b>(1,100)</b>	<b>(2,251)</b>	<b>(2,841)</b>	<b>-</b>	<b>(1,021)</b>	<b>6,794</b>	<b>2,932</b>
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	-	-	(172)	(172)	(19)	(1,059)	-	(1,250)
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-
Transfer to assets held for sale	-	-	11	11	-	16	-	27
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(161)</b>	<b>(161)</b>	<b>(19)</b>	<b>(1,043)</b>	<b>-</b>	<b>(1,223)</b>
At fair value 30 June 2020	24,394	29,353	18,605	72,352	2,751	84,661	7,489	167,253
Accumulated depreciation at 30 June 2020	-	-	(12,791)	(12,791)	(2,374)	(53,852)	-	(69,017)
<b>Fair Value/Written Down Value 30 June 2020</b>	<b>24,394</b>	<b>29,353</b>	<b>5,814</b>	<b>59,561</b>	<b>377</b>	<b>30,809</b>	<b>7,489</b>	<b>98,236</b>

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	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	20,638	1,587	3,991	1,686	846										29,034
Accumulated depreciation at 1 July 2019	(12,189)	(977)	(2,987)	(940)	-										(17,093)
<b>Fair Value 30 June 2019</b>	<b>8,449</b>	<b>610</b>	<b>1,004</b>	<b>746</b>	<b>846</b>										<b>11,941</b>
<b>Movements in fair value</b>															
Additions	811	-	-	-	-	-	-	-	-	-	-	-	-	2,691	3,502
Revaluation	-	-	-	(30)	237									-	207
Disposal	(793)	-	-	(385)	-									-	(1,178)
Write-off	-	-	-	-	-									(53)	(53)
Transfers from WIP	1,202	26	514	164	2									(1,908)	-
Found Assets	-	-	-	-	648									-	648
<b>Total</b>	<b>1,220</b>	<b>26</b>	<b>514</b>	<b>(251)</b>	<b>887</b>	<b>887</b>	<b>2,397</b>	<b>730</b>	<b>3,127</b>	<b>2,397</b>	<b>730</b>	<b>3,127</b>	<b>3,127</b>	<b>3,127</b>	<b>3,127</b>
<b>Movements in accumulated depreciation</b>															
Depreciation and amortisation	(1,963)	(29)	(318)	(169)	-									-	(2,479)
Revaluation	-	-	-	-	-									-	-
Accumulated depreciation of disposals	773	-	-	189	-									-	962
<b>Total</b>	<b>(1,190)</b>	<b>(29)</b>	<b>(318)</b>	<b>20</b>	<b>(1,517)</b>	<b>(1,517)</b>	<b>(1,517)</b>	<b>-</b>	<b>(1,517)</b>	<b>(1,517)</b>	<b>-</b>	<b>(1,517)</b>	<b>(1,517)</b>	<b>-</b>	<b>(1,517)</b>
At fair value 30 June 2020	21,858	1,613	4,505	1,435	1,733									1,016	32,161
Accumulated depreciation at 30 June 2020	(13,379)	(1,006)	(3,305)	(920)	-									-	(18,610)
<b>Fair Value/Written Down Value 30 June 2020</b>	<b>8,479</b>	<b>607</b>	<b>1,200</b>	<b>515</b>	<b>1,733</b>	<b>1,733</b>	<b>12,534</b>	<b>1,016</b>	<b>13,550</b>	<b>12,534</b>	<b>1,016</b>	<b>13,550</b>	<b>13,550</b>	<b>1,016</b>	<b>13,550</b>

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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 and 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 2019	20,579	1,587	3,991	1,686	846	28,689	286	28,975
Accumulated depreciation at 1 July 2019	(12,183)	(977)	(2,987)	(940)	-	(17,087)	-	(17,087)
<b>Fair Value 30 June 2019</b>	<b>8,396</b>	<b>610</b>	<b>1,004</b>	<b>746</b>	<b>846</b>	<b>11,602</b>	<b>286</b>	<b>11,888</b>
<b>Movements in fair value</b>								
Additions	737	-	-	-	-	737	2,691	3,428
Revaluation	-	-	-	(30)	237	207	-	207
Disposal	(793)	-	-	(385)	-	(1,178)	-	(1,178)
Write-off	-	-	-	-	-	-	(53)	(53)
Transfers from WIP	1,202	26	514	164	2	1,908	(1,908)	-
Found Assets	-	-	-	-	648	648	-	648
<b>Total</b>	<b>1,146</b>	<b>26</b>	<b>514</b>	<b>(251)</b>	<b>887</b>	<b>2,322</b>	<b>730</b>	<b>3,052</b>
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	(1,940)	(29)	(318)	(169)	-	(2,456)	-	(2,456)
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	773	-	-	189	-	962	-	962
<b>Total</b>	<b>(1,167)</b>	<b>(29)</b>	<b>(318)</b>	<b>20</b>	<b>-</b>	<b>(1,494)</b>	<b>-</b>	<b>(1,494)</b>
At fair value 30 June 2020	21,725	1,613	4,505	1,435	1,733	31,011	1,016	32,027
Accumulated depreciation at 30 June 2020	(13,350)	(1,006)	(3,305)	(920)	-	(18,581)	-	(18,581)
<b>Fair Value/Written Down Value 30 June 2020</b>	<b>8,375</b>	<b>607</b>	<b>1,200</b>	<b>515</b>	<b>1,733</b>	<b>12,430</b>	<b>1,016</b>	<b>13,446</b>



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

(c) Infrastructure

Council/Consolidated

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Waste Management \$'000	Parks open spaces and streetscapes \$'000	Aerodromes \$'000	Off street car parks \$'000	Other Infrastructure \$'000	Work in Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2019	425,043	89,815	24,705	53,909	42,273	17,894	7,848	6,729	3,501	-	20,205	691,922
Accumulated depreciation at 1 July 2019	(148,378)	(23,797)	(9,151)	(16,103)	(22,072)	(16,367)	(6,328)	(952)	(1,013)	-	-	(244,161)
<b>Fair Value 30 June 2019</b>	<b>276,665</b>	<b>66,018</b>	<b>15,554</b>	<b>37,806</b>	<b>20,201</b>	<b>1,527</b>	<b>1,520</b>	<b>5,777</b>	<b>2,488</b>	<b>-</b>	<b>20,205</b>	<b>447,761</b>
<b>Movements in fair value</b>												
Additions	-	-	-	-	-	-	-	-	-	-	27,570	27,570
Contributions	1,380	-	321	729	-	-	-	-	-	-	-	2,430
Revaluation	20	-	-	103	-	-	-	-	-	-	-	123
Disposal	(345)	-	(92)	(194)	-	-	-	-	-	-	-	(631)
Write-off	-	-	-	-	-	-	-	-	-	-	(1,289)	(1,289)
Transfers from WIP	5,961	1,622	1,038	3,349	(1,971)	-	1,257	-	-	53	(10,356)	953
<b>Total</b>	<b>7,016</b>	<b>1,622</b>	<b>1,267</b>	<b>3,987</b>	<b>(1,971)</b>	<b>-</b>	<b>1,257</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>15,925</b>	<b>29,156</b>
<b>Movements in accumulated depreciation</b>												
Depreciation and amortisation	(7,560)	(992)	(719)	(743)	(666)	(227)	(217)	(135)	(44)	-	-	(11,303)
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	153	-	61	62	-	-	-	-	-	-	-	276
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(7,407)</b>	<b>(992)</b>	<b>(658)</b>	<b>(681)</b>	<b>(666)</b>	<b>(227)</b>	<b>(217)</b>	<b>(135)</b>	<b>(44)</b>	<b>-</b>	<b>-</b>	<b>(11,027)</b>
At fair value 30 June 2020	432,059	91,437	25,972	57,896	40,302	17,894	9,105	6,729	3,501	53	36,130	721,078
Accumulated depreciation at 30 June 2020	(155,785)	(24,789)	(9,809)	(16,784)	(22,738)	(16,594)	(6,545)	(1,087)	(1,057)	-	-	(255,188)
<b>Fair Value/Written Down Value 30 June 2020</b>	<b>276,274</b>	<b>66,648</b>	<b>16,163</b>	<b>41,112</b>	<b>17,564</b>	<b>1,300</b>	<b>2,560</b>	<b>5,642</b>	<b>2,444</b>	<b>53</b>	<b>36,130</b>	<b>465,890</b>

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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
<b>Asset recognition thresholds and depreciation periods</b>		<b>\$'000</b>
<b>Property</b>		
<b>Land</b>		
land improvements	20-90 years	5
land fill assets	1-11 years	1
<b>Buildings</b>		
<b>Plant and Equipment</b>		
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
<b>Infrastructure</b>		
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
<b>Intangibles</b>		<b>3-8</b>

*Land under roads*

Council recognises land under roads it controls at fair value.

*Depreciation and amortisation*

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

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

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.

**Valuation of land and buildings**

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

Council	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Non-specialised land	-	3,710	25,643	Jun-17
Specialised land	-	-	24,394	Jun-17
Land Improvements	-	-	5,814	Jun-17
<b>Total land</b>	-	<b>3,710</b>	<b>55,851</b>	
Heritage Buildings	-	-	377	Jun-17
Non-specialised buildings	-	-	30,809	Jun-17
<b>Total buildings</b>	-	-	<b>31,186</b>	

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

**Valuation of infrastructure**

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

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

Council	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Roads	-	-	276,274	May-18
Bridges	-	-	66,648	May-18
Footpaths and cycleways	-	-	16,163	May-18
Drainage	-	-	41,112	May-18
Recreational, leisure and community facilities	-	-	17,564	Jun-17
Waste management	-	-	1,300	Jun-17
Parks, open space and streetscapes	-	-	2,560	Jun-17
Aerodromes	-	-	5,642	Jun-19
Off street carparks	-	-	2,444	Jun-17
Other infrastructure	-	-	53	
<b>Total Infrastructure</b>	-	-	<b>429,760</b>	

**Description of significant unobservable inputs into level 3 valuations**

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

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

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

**Reconciliation of specialised land**

	2020	2019
	\$'000	\$'000
Land under roads	24,394	23,884
<b>Total specialised land</b>	<b>24,394</b>	<b>23,884</b>

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**6.3 Investments in subsidiaries**

**Principles of consolidation**

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2020, and their income and expenses for that part of the reporting period in which control existed.

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

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

Entities consolidated into Council include:  
Wangaratta Livestock Exchange Pty Ltd

**Committees of management**

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

**Subsidiaries**

Wangaratta Livestock Exchange  
*Background*

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

**Summarised financial information**

**Summarised statement of comprehensive income**

	2020	2019
	\$'000	\$'000
Total income	519	573
Total expenses	445	370
Surplus/(deficit) for the year	74	203
Other comprehensive income	-	-
<b>Total comprehensive result</b>	<b>74</b>	<b>203</b>

**Summarised balance sheet**

Current assets	362	361
Non-current assets	211	54
Total assets	573	415
Current liabilities	55	59
Non-current liabilities	100	-
Total liabilities	155	59
<b>Net Assets</b>	<b>418</b>	<b>356</b>

**Summarised statement of cash flows**

Net cash provided by / (used in) operating activities	83	232
Net cash provided by / (used in) investing activities	(74)	(18)
Net cash provided by / (used in) financing activities	(11)	110
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(2)</b>	<b>324</b>

**Other financial information**

Profit attributable to non controlling interests	-	-
Accumulated non controlling interests at the end of the reporting period	-	-

**Significant restrictions**

There were no significant restrictions

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**Note 7 People and relationships**

**7.1 Council and key management remuneration**

**(a) Related Parties**

*Parent entity*

Wangaratta Rural City Council is the parent entity.

*Subsidiaries*

Interests in subsidiaries are detailed in Note 6.3.

**(b) Key Management Personnel**

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

**Councillors (including dates if not full year)**

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

**Chief Executive Officer and other Key Management Personnel**

Position	Name
Chief Executive Officer	Brendan McGrath
Director - Infrastructure	Alan Clark
Director - Community Wellbeing	Jaime Chubb
Director - Corporate Services	Sarah Brindley
Director - Development Services	Stephen Swart

	2020	2019
<b>Total Number of Councillors</b>	7	7
<b>Total of Chief Executive Officer and other Key Management Personnel</b>	5	8
<b>Total Number of Key Management Personnel</b>	12	15

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**7.1 Council and key management remuneration (cont'd)**

**(c) Remuneration of Key Management Personnel**

Total remuneration of key management personnel was as follows:

	2020	2019
	\$'000	\$'000
Short-term benefits	1,267	1,188
Post-employment benefits	84	203
Long-term benefits	23	89
Termination benefits	-	120
<b>Total</b>	<b>1,374</b>	<b>1,600</b>

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

	2020	2019
\$20,000 - \$29,999	4	3
\$30,000 - \$39,999	2	2
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	-	2
\$100,000 - \$109,999	1	-
\$120,000 - \$129,999	-	1
\$130,000 - \$139,999	-	1
\$150,000 - \$159,999	-	1
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	2	-
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	-	1
\$280,000 - \$299,999	1	1
	<b>12</b>	<b>15</b>

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**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:	Consolidated		Council	
	2020	2019	2020	2019
\$151,000 - \$159,999	2	2	2	2
	2	2	2	2
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	306	302	306	302

**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 \$158,773 (2018/19 \$180,710).
2. Contributions and fees paid to LG Pro \$41,340 (2018/19 \$2,535).
3. Contributions and fees paid to Alpine Shire \$363,050 (2018/19 \$387,773). A key management person has a family member in a key management position at Alpine Shire.
4. Contributions and fees paid to Community Accessibility \$98,702. A key management person is in a management position at the related party.
5. Contributions paid to Business Wangaratta \$Nil (2018/19 \$4,400).
6. Contributions paid to Wangaratta Jazz Festival \$Nil (2018/19 \$155,000).

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**

**(a) Contingent assets**

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

**Developer Contribution Plans (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 and also allows for the collection of levies (charges) on the residential and commercial developable areas. The future inflow of levies for the DCPs is expected to be \$29.4m and \$6.5m for the North-West and South Growth Area DCPs respectively.

**Operating lease receivables**

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

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

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Not later than one year	338	313	338	313
Later than one year and not later than five years	437	661	437	661
Later than five years	475	503	475	503
	<b>1,250</b>	<b>1,477</b>	<b>1,250</b>	<b>1,477</b>

**(b) Contingent liabilities**

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

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

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

**Superannuation**

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

*Future superannuation contributions*

There were no contributions outstanding and no loans from or to the above schemes as at 30 June 2020.

**Liability Mutual Insurance**

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years. No such shortfall exists at 30 June 2020.

**MAV Workcare**

Council is a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare 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.

At 30 June 2020 The MAV WorkCare Scheme has a shortfall of \$2.4 million of which Council's share is 1.38%. The Scheme has notified Council of a 5 year Capital Recovery Contribution (CRC) and this is disclosed as a Commitment in Note 5.7. Any further increase above the notified CRC is not known at this time, but will be monitored given the economic conditions.

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**8.1 Contingent assets and liabilities (cont'd)**

**(c) Guarantees for loans to other entities**

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

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

**(d) Development Contribution Plans (DCPs)**

On 17 October 2019 the Minister for Planning approved the Wangaratta North-West Growth Area and Wangaratta South Growth Area DCPs. A DCP imposes a binding obligation on Council to provide the infrastructure set out in the DCP. It also allows for the collection of levies (referred to disclosure in contingent assets). The approved DCPs impose an obligation on Council to construct infrastructure of \$35.2m and \$6.6m for the North-West and South Growth Area DCPs respectively. Council is required to submit an annual return to the Minister for Planning and the 2019/20 return to demonstrate the DCP funds expended. DCP funds expended up to 30 June 2020 on the North-West DCP are \$7,602,414.80. At 30 June 2020 Council has an obligation to construct infrastructure of \$27.6m and \$6.6m for the North-West and South Growth Area DCPs respectively.

**8.2 Change in accounting standards**

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

**AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)**

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

**AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)**

The Standard principally amends *AASB 101 Presentation of Financial Statements* and *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

**AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)**

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

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**8.3 Financial instruments**

**(a) Objectives and policies**

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

**(b) Market risk**

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. 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 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

**(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.

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**8.3 Financial instruments (cont'd)**

**(d) Liquidity risk**

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

To help reduce these risks Council:

- have readily accessible standby facilities and other funding arrangements in place; and
- monitor budget to actual performance on a regular basis.

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

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

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

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

**(e) Sensitivity disclosure analysis**

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

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

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

**8.4 Fair value measurement**

*Fair value hierarchy*

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

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

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.

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**8.4 Fair value measurement (cont'd)**

*Revaluation*

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

Council has assessed the impacts of COVID-19 on the fair value assessments of land, buildings and infrastructure assets and considered the effect cannot yet be fully understood. In the absence of evidence to undermine the reliability of indices applied, management have not altered their fair value assessment.

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 COVID-19 Pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future maybe materially different from those estimated by Council at balance date. As responses by Government continues to evolve management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the Pandemic after reporting date. The state of emergency in Victoria was extended on 13 September 2020 to 11 October 2020 and the state of disaster remains in place.

No other matters have occurred since balance date that required disclosure in the financial report.

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9 Other matters

9.1 Reserves

9.1(a) Asset revaluation reserve

Consolidated/Council	Balance at beginning of 2019 \$'000	Increment (Decrement) \$'000	Balance at end of 2019 \$'000	Increment (Decrement) \$'000	Balance at end of 2020 \$'000
<b>Property</b>					
Land & land improvements	24,936	-	24,936	(2)	24,934
Buildings	2,131	-	2,131	-	2,131
<b>Plant &amp; Equipment</b>					
Library books	-	29	29	(29)	-
Art Collection	239	-	239	236	475
<b>Infrastructure</b>					
Roads	236,768	-	236,768	20	236,788
Bridges	55,185	-	55,185	-	55,185
Footpaths and cycleways	4,603	-	4,603	-	4,603
Drainage	24,789	-	24,789	103	24,892
Recreational, leisure and community facilities	125	-	125	-	125
Parks, open space and streetscapes	2,365	-	2,365	-	2,365
Aerodromes	-	5,300	5,300	-	5,300
Off-street car parks	1,888	-	1,888	-	1,888
	<b>353,029</b>	<b>5,329</b>	<b>358,358</b>	<b>328</b>	<b>358,686</b>

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

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9.1 Reserves (cont'd)

(b) Other reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>2020</b>				
Cemetery	37	22	-	59
Loans	839	-	-	839
Developers' contributions	90	-	-	90
Developers' contribution for recreation	79	-	-	79
CSNE integration	135	-	-	135
HACC	147	291	(3)	435
Industrial land	(605)	109	-	(496)
Performing arts centre	7	106	-	113
Replacement of plant	3,449	1,567	(1,567)	3,450
Replacement of plant - CSNE	4	-	-	4
Regional playground	1	-	-	1
Waste and Landfill	6,663	10,533	(3,451)	13,745
Livestock selling complex	90	-	-	90
Unfunded superannuation	610	-	-	610
Municipal Fire & Emergency Mgt Resourcing	125	-	(76)	49
North Wangaratta Recreation Reserve	240	-	(93)	147
Wangaratta Showgrounds	33	-	-	33
WISAC	123	-	(11)	112
<b>Total Other reserves</b>	<b>12,068</b>	<b>12,628</b>	<b>(5,201)</b>	<b>19,496</b>

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

The loans reserve is to cover the future principal repayments of interest only loan via the Local Government Funding Vehicle. Council has not allocated funds to the Loans reserve account for a number of years and it is proposed that this reserve account is reduced to Nil in 2020/21. The reserve is no longer required as Council's budget, strategic resource plan and long term financial plan appropriately identify and plan for cash outflows of principal repayments.

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

The 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 2020/21. In doing so Council will verify that no statutory obligation exists in relation to this reserve that would prevent its reduction to Nil.

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

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

The performing arts centre reserve exists to support future programming and capital works expenditure of the Wangaratta Performing Arts and Convention Centre.

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

The regional playground reserve is no longer required. It is proposed to reduce this reserve to Nil in 2020/21. In doing so Council will verify that no statutory obligation exists in relation to this reserve that would prevent its reduction to Nil.

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

The Livestock reserve was created in 2017/18 to fund the incorporation costs and capitalisation of the Wangaratta Livestock Exchange Pty Ltd. This reserve will be reduced to Nil in 2020/21 as the reserve is no longer required.

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

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

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

The Wangaratta Showgrounds reserve is a legacy reserve no longer being utilised, with significant capital improvements being funded from Council's budget instead.

The reserve existed to support the former Committee of Management and is no longer required after the dissolution of the committee in December 2017. The reserve for the Wangaratta Showgrounds is proposed to be reduced to Nil in 2020/21.

The WISAC reserve will fund capital improvements and upgrades to the facilities at the Wangaratta Indoor Sports & Aquatic Centre. The reserve will stop being utilised in future years as the reserve was funded from the YMCA contract profit share arrangements which have ceased at 30 June 2020.

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9.1 Reserves (cont'd)

(b) Other reserves

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

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

The loans reserve is to cover the future principal repayments of interest only loan via the Local Government Funding Vehicle. Council has not allocated funds to the Loans reserve account for a number of years and it is proposed that this reserve account is reduced to Nil in 2020/21. The reserve is no longer required as Council's budget, strategic resource plan and long term financial plan appropriately identify and plan for cash outflows of principal repayments.

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

The 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 2020/21. In doing so Council will verify that no statutory obligation exists in relation to this reserve that would prevent its reduction to Nil.

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

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

The performing arts centre reserve exists to support future programming and capital works expenditure of the Wangaratta Performing Arts and Convention Centre.

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

The regional playground reserve is no longer required. It is proposed to reduce this reserve to Nil in 2020/21. In doing so Council will verify that no statutory obligation exists in relation to this reserve that would prevent its reduction to Nil.

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

The Livestock reserve was created in 2017/18 to fund the incorporation costs and capitalisation of the Wangaratta Livestock Exchange Pty Ltd. This reserve will be reduced to Nil in 2020/21 as the reserve is no longer required.

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

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

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

The Wangaratta Showgrounds reserve is a legacy reserve no longer being utilised, with significant capital improvements being funded from Council's budget instead. The reserve existed to support the former Committee of Management and is no longer required after the dissolution of the committee in December 2017. The reserve for the Wangaratta Showgrounds is proposed to be reduced to Nil in 2020/21.

The WISAC reserve will fund capital improvements and upgrades to the facilities at the Wangaratta Indoor Sports & Aquatic Centre. The reserve will stop being utilised in future years as the reserve was funded from the YMCA contract profit share arrangements which have ceased at 30 June 2020.



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

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Surplus/(deficit) for the year</b>	6,236	3,621	6,173	3,418
Depreciation and amortisation	15,206	17,104	15,175	17,098
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(289)	(56)	(289)	(56)
Finance costs	385	371	385	371
Decrease in provision for landfill arising from changes in discount rates	(2,689)	-	(2,689)	-
Recognition of additional landfill provision - closed sites	5,432	-	5,432	-
Impacts of asset revaluations	196	-	196	-
Assets written-off / impaired	1,643	-	1,643	-
Contributions - Non-monetary assets	(2,439)	(1,175)	(2,439)	(1,175)
Found Assets	(648)	(165)	(648)	(165)
Bad Debts		28		28
<b>Change in assets and liabilities</b>				
(Increase)/decrease in trade and other receivables	98	(3,054)	98	(3,018)
(Increase)/decrease in other assets	215	(239)	215	(239)
(Increase)/decrease in inventories	(5)	1	(1)	1
Increase/(decrease) in trade and other payables	219	3,807	237	3,761
Increase/(decrease) in trust funds and deposits	90	251	90	251
Increase/(decrease) in unearned income	1,559	-	1,559	-
Increase/(decrease) in provisions	389	1,361	385	1,348
<b>Net cash provided by/(used in) operating activities</b>	<b>25,599</b>	<b>21,855</b>	<b>25,523</b>	<b>21,623</b>

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**9.3 Superannuation**

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

**Accumulation**

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

**Defined Benefit**

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

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

**Funding Arrangements**

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (2019: 9.5%).

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, 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 107.1% as at 30 June 2019 (106.0% at 30 June 2018). The financial assumptions used to calculate the VBIs were:

	30 June 2019	30 June 2018
Net investment returns	6.0% pa	6.0% pa
Salary information	3.5% pa	3.5% pa
Price inflation (CPI)	2.0% pa	2.0% pa

Vision Super has advised that the actual VBI at 30 June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

**Employer Contributions**

**Regular Contributions**

On the basis of the results of the 2019 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 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 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.

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**9.3 Superannuation (cont'd)**

**Funding Calls**

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

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

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 2019 interim actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and the last full actuarial investigation was conducted as at 30 June 2017.

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

	2019	2017
	\$m	\$m
A VBI surplus	151.3	\$69.8
A total service liability surplus	233.4	\$193.5
A discounted accrued benefits surplus	256.7	\$228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019.

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 2019.

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 2019.

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

**The 2020 triennial actuarial investigation**

An triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020	2017
	Triennial investigation	Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.5% pa for the first two years and 2.75% pa thereafter	3.5% pa
Price inflation	2.0% pa	2.5% pa

**Impact of COVID-19 crisis on Council operations and 2019/20 financial statements**

On 30 January 2020, COVID 19 was declared as a global pandemic by the Worlds Health Organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted council operations in the 2019/20 financial year with a number of Council services closed, or with significantly reduced service delivery. Council expects the economic impacts of COVID-19 will be more significant in the 2020/21 financial year due to the further lock down restrictions and the expected easing of Federal Government support. It is likely that Council's income will lower than budgeted for 2020/21 and the number of ratepayers in arrears will increase. The broader economic challenges may impact on Council's obligations under the Vision Super defined benefit superannuation fund, with Vision Super providing regular updates of any foreseeable contributions.

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**10 Change in accounting policy**

Council has adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities*, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

**a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption**

*AASB 15 Revenue from Contracts with Customers* applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted *AASB 15 Revenue from Contracts with Customers* using the modified (cumulative catch up) method. Revenue for 2019 as reported under *AASB 118 Revenue* is not adjusted, because the new standard is only applied from the date of initial application.

*AASB 15 Revenue from Contracts with Customers* requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

**b) AASB 16 Leases**

*AASB 16 Leases* requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

**c) AASB 1058 Income of Not-for-Profit Entities**

*AASB 1058 Income of Not-for-Profit Entities* applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted *AASB 1058 Income of Not-for-Profit Entities* using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

*AASB 1058 Income of Not-for-Profit Entities* requires income to be recognised as Council satisfies the performance obligations under the contract.

**d) Transition impacts**

There were no transitional adjustments required on 1 July 2019 on application of the new accounting standards.

# Independent Auditor's Report

## To the Councillors of Wangaratta Rural City Council

<b>Opinion</b>	<p>I have audited the consolidated financial report of Wangaratta Rural City Council (the council) and its controlled entities (together, the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> <li>• consolidated entity and council balance sheet as at 30 June 2020</li> <li>• consolidated entity and council comprehensive income statement for the year then ended</li> <li>• consolidated entity and council statement of changes in equity for the year then ended</li> <li>• consolidated entity and council statement of cash flows for the year then ended</li> <li>• consolidated entity and council statement of capital works for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the consolidated financial statements.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors's responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

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

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MELBOURNE  
8 October 2020



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

