

# Annual Report

2021/22

*Towong Shire...The ideal place to be.*



Front cover image: taken from the Great River Road about 2kms east of the Wymah Ferry.

The Great River Road is set between two of Australia's most beloved landscape icons, the Murray River and the Snowy Mountains. Following the Murray River, the 153km road provides unique views of the Upper Murray mountains and valleys, with the spectacular Snowy Mountains as the backdrop.

Council's Great River Road Project aims to make the route a premier destination for drivers, motorcyclists, cyclists, bushwalkers and campers, and is made possible by a \$5 million grant from the Victorian Government's *Bushfire Recovery Regional Economic Stimulus and Resilience Fund*.

# Contents

<b>Annual Report</b> .....	<b>1</b>
<b>Introduction</b> .....	<b>7</b>
Welcome .....	7
About Towong Shire.....	8
Facts, statistics and characteristics .....	9
About our organisation .....	10
A message from the Mayor and Chief Executive Officer .....	11
<b>The year in review</b> .....	<b>13</b>
A snapshot.....	13
Major capital works.....	16
Financial summary .....	18
<b>Our Council</b> .....	<b>21</b>
Councillors.....	21
<b>Our people</b> .....	<b>23</b>
Management team.....	23
Organisational structure.....	24
Workforce statistics.....	25
Equal employment opportunity .....	25
<b>Our performance</b> .....	<b>26</b>
Planning and accountability framework.....	26
Reporting on delivery of the Council Plan.....	26
1. Asset management.....	27
2. Community wellbeing.....	33
3. Economic and tourism development.....	42
4. Land use.....	47
5. Environmental sustainability .....	52
6. Organisational improvement.....	58
<b>Governance and management arrangements</b> .....	<b>65</b>
Governance .....	65
Governance and management checklist.....	70
Statutory information.....	74
<b>Performance Statement</b> .....	<b>77</b>

Certification of the Performance Statement.....	107
Auditor General’s Report – Performance Statement.....	108
<b>Financial Statements.....</b>	<b>109</b>
Certification of the Financial Statements.....	109
Auditor General’s Report - Financial Statements.....	110
Comprehensive Income Statement for the Year Ended 30 June 2022 .....	112
Balance Sheet As at 30 June 2022 .....	113
Statement of Changes in Equity For the Year Ended 30 June 2022 .....	114
Statement of Cash Flows For the Year Ended 30 June 2022.....	115
Statement of Capital Work For the Year Ended 30 June 2022.....	116
<b>Notes for the Financial Report.....</b>	<b>117</b>

## Contact Information

### Tallangatta Customer Service Centre

32 Towong Street  
Tallangatta VIC 3700

### Corryong Customer Service Centre

76 Hanson Street  
Corryong VIC 3707

**Phone:** 1300 365 222 (Mon-Fri 8.30am-5pm)

**Email:** [info@towong.vic.gov.au](mailto:info@towong.vic.gov.au)

**Post:** PO Box 55 Tallangatta VIC 3700

## Introduction

### Welcome

Council is committed to transparent reporting and accountability to the community. This Annual Report provides a summary of Council's operations and performance for 2021/22, including a summary of financial performance as well as progress against the strategic objectives set out in the Council Plan 2021-2025:

1. Asset Management
2. Community Wellbeing
3. Economic and Tourism Development
4. Land Use
5. Environmental Sustainability
6. Organisational Improvement

This report also contains a snapshot of significant events, achievements and changes that occurred throughout the year together with audited financial statements, performance indicators and other information as prescribed by the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Towong Shire Council acknowledges with appreciation the support of the Australian Government and the Victorian Government.



**Australian Government**



## About Towong Shire



Towong Shire, in far North East Victoria, enjoys some of Australia's most pristine environments. Our unique wilderness areas, lakes, rivers and streams create diverse landscapes that are enjoyed by around 6,183\* residents and many more visitors across an area of 6,675 square kilometres.

Our municipality includes many diverse townships and localities including Bellbridge, Bullioh, Berringama, Bethanga, Biggara, Burrowye, Corryong, Cudgewa, Dartmouth, Eskdale, Granya, Guys Forest, Koetong, Lucyvale, Mitta Mitta, Mt Alfred, Nariel, Old Tallangatta, Shelley, Talgarno, Tallandoon, Tallangatta, Tallangatta Valley, Thologolong, Tintaldra, Towong and Walwa.

The economy of the region revolves around a rich agricultural sector, tourism and timber production and processing. Approximately two-thirds of businesses in the Shire are in the agricultural and forestry industries.

\*2021 Census



## Facts, statistics and characteristics

Population (2021 census)	6,183
Area <sup>1</sup>	6,675 sq km
Property assessments	4,529
<b>Roads and transport</b>	
Council roads	1,183 km
Arterial roads	483 km
Number of registered vehicles <sup>1</sup>	7,342
Employed people who travel to work by car <sup>1</sup>	60.2%
<b>Economy</b>	
Businesses <sup>2</sup>	925
Employment participation rate <sup>1</sup>	55.8%
Median weekly household income <sup>1</sup>	\$846
<b>Individuals and households</b>	
Median age <sup>1</sup>	52
Average household size <sup>1</sup>	2.2
<b>Social and health</b>	
Voluntary work through an organisation or group <sup>1</sup>	27.9%
Immunisation rates for children under 27 months <sup>3</sup>	94%
Pre-school or kindergarten participation <sup>4</sup>	100%
Proportion of adults who are sufficiently physically active <sup>5</sup>	69%

Data sources:

<sup>1</sup> Census 2021, Australian Bureau of Statistics (<https://dbr.abs.gov.au>)

<sup>2</sup> Remplan; <https://www.remplan.com.au/economy/>

<sup>3</sup> Murray Public Health Network, Australian Immunisation Register 2021

<sup>4</sup> Australian Early Development Census (AEDC) 2021

<sup>5</sup> Victorian Population Health Survey (VPHS) 2017

Unless otherwise indicated, statistics are taken from the latest year available. The statistics on this page are presented for information purposes and may differ from the data sources used for performance reporting purposes.

## About our organisation

Towong Shire Council is led by the Community Vision, Council Mission and Council Values.

The Community Vision describes the community's aspirations for the future of the municipality over the next ten years and was developed based on comprehensive community engagement undertaken in 2021 as part of the development of the *Council Plan 2021-2025*.

The Council Mission expresses the core purpose of the Council and guides our Councillors and staff in the pursuit of the Community Vision. It is underpinned by our Values which guide how we work with one another, our communities and stakeholders.

<b>Community Vision</b>	Towong Shire will be the ideal place to be: welcoming, vibrant and diverse communities with quality facilities and services.
<b>Council Mission</b>	To provide strong leadership and to work with our communities to enhance their social, economic and environmental wellbeing.

## Council Values

<b>Respect</b>	We will listen and consider other perspectives and treat each other with courtesy.
<b>Integrity</b>	We will be honest with strong moral principles.
<b>Pride</b>	We will always take care in what we do.
<b>Teamwork</b>	We will help others to achieve by being positive, enthusiastic and confident.

## A message from the Mayor and Chief Executive Officer

It is with pleasure that we present the 2021/22 Annual Report.

2021/22 was once again a year of challenges, the storms of January 2022, along with ongoing recovery from the 2019/20 bushfires and the disruption of the COVID-19 pandemic impacted us all. We're proud to reflect on how our communities have pulled together and how our staff have been able to deliver some terrific outcomes for our Shire.

We were excited to adopt a new four-year *Council Plan* and Community Vision following a robust community engagement process.

*Towong Shire will be the ideal place to be:  
welcoming, vibrant and diverse communities  
with quality facilities and services.*

We continued to advocate strongly to the State and Federal Governments to support our priorities in pursuit of the Community Vision. As a small council, securing their financial support is essential to us being able to deliver our projects and programs while maintaining our financial viability. We play a key role in advocating for funding for both Council services as well as services provided by other agencies, often teaming our advocacy efforts with other local agencies and groups for the best chances of success. As a result of our ongoing advocacy efforts, we secured \$13 million towards projects in 2021/22 including:

- Lake Hume Masterplan
- Corryong Circuit Trail – Stage One
- Great River Road – Stage Two
- Walking track upgrade in Eskdale and Bellbridge

We also secured nearly \$10 million for projects in 2022/23 and beyond.

After almost two years of COVID-19 related delays, it was exciting to see the completion of some long-term projects including:

- Tallangatta Holiday Park - a project that has been in the works since 2014 with the development of the Tallangatta Holiday Park Masterplan
- Georges Creek Road - resulting in improved connectivity between the Talgarno and Bellbridge areas through to the Murray Valley Highway and Tallangatta.

We delivered the final round of our Community Grants program with support of the Federal Government's Bushfire Recovery Program and the State Government's Community Recovery and Resilience Grants Program. Across four rounds we were able to support bushfire recovery projects including community events, equipment purchases and community facility upgrades.

We would like to take this opportunity to thank our community – your resilience, grit and sheer determination has never been more evident. It is these characteristics that drive us to continue our work in delivering your Vision.

Finally, a thank you to all staff for their commitment and dedication to delivering services and projects to our community, over what was yet another challenging 12 months. We look forward to continuing to support our community into the future.



Cr Andrew Whitehead  
Mayor



Juliana Phelps  
Chief Executive Officer

# The year in review

## A snapshot

---

### July 2021

#### **New mobile towers for Burrowye and Koetong announced**

---

We welcomed the news that two new mobile towers would be built in Burrowye and Koetong as part of the Australian Government's Mobile Black Spot Program.

Connectivity is vitally important across our municipality and this was a great result for our communities. Our thanks goes to Helen Haines MP for her ongoing efforts in supporting the work of Council and our communities in advocating for improved telecommunications in Towong Shire.

---

### August 2021

#### **Funding secured for Playles Hill, Corryong**

---

Council was pleased to secure \$500,000 in funding from the State Government to support the redevelopment of Playles Hill in Corryong.

Driven by the Playles Hill Working Group the redevelopment will provide a place for locals and visitors to reflect and reconnect. Key elements of the redevelopment include visitor facilities, a viewing platform and shade structure, park furniture, walking tracks and signage.

---

### September 2021

#### **Community consultation on Sport and Recreation Strategy**

---

We launched a project to develop a *Sport and Recreation Strategy* to guide the development of sport and recreation infrastructure and initiatives over the next 10 years. The project considered how Council can positively influence greater participation, active recreation and social connections.

Community consultation was undertaken with local sporting associations, clubs and community members through a survey, listening posts and onsite meetings.

---

### October 2021

#### **Adoption of our Community Vision**

---

Following a comprehensive community engagement process resulting in over 500 individual pieces of feedback, we adopted our first Community Vision - Towong Shire will be the ideal place to be: welcoming, vibrant and diverse communities with quality facilities and services.

To help us deliver on this Vision we also adopted a series of key strategic documents that provide the roadmap for Council, including the *Council Plan 2021-2025*, *Health and Wellbeing Plan 2021-2025* and *Financial Plan 2021-2031*.

---

---

## **November 2021**

### **Community grant recipients announced**

We delivered the fourth and final round of our Community Grants program with the support of the Federal Government's Bushfire Recovery Program and the State Government's Community Recovery and Resilience Grants Program. Across the four rounds we were able to support bushfire recovery projects including community events, the purchasing of equipment and upgrading of community facilities.

---

## **December 2021**

### **Refurbished Tallangatta Pool unveiled for the swimming season**

With a \$200,000 grant from the Federal Government and a \$125,000 commitment from Council a refurbished swimming pool was ready for the summer season.

The refurbishment included an upgrade to the main pool to a modern 'wet deck' design with a flat edge, replacement of the raised concrete edge for improved visibility and leak protection, installation of a vinyl liner, and repairs to the filtration system.

---

## **January 2022**

### **Australia Day**

Council, in partnership with local community groups, recognised the achievements of community members at the Australia Day Community Award Ceremonies across the Shire on 26 January 2022.

The events were a welcome opportunity to come together and celebrate as a community after a challenging couple of years and gave an opportunity for communities to recognise some of their own.

---

## **February 2022**

### **Funding announced to deliver the Lake Hume Master Plan**

The Minister for Regional Development, the Hon Minister Mary-Anne Thomas and Minister for Emergency Services and Attorney-General Jaclyn Symes joined Cr Whitehead and Cr Anderson to announce \$120,000 in funding to deliver of the Lake Hume Master Plan.

A transformational project for Towong Shire, the Lake Hume Master Plan will provide the direction for future development on and around Lake Hume.

---

## **March 2022**

### **Bluey and Bingo visit Corryong and Tallangatta**

In possibly the highlight of the year for our youngest community members we welcomed Bluey and Bingo to Corryong and Tallangatta. It was a day of smiles and laughter only made possible by

---

the support of the CRCs from Berringama/Lucyvale, Corryong, Cudgewa, Nariel Valley, Thowgla, Tintaldra and Walwa, the Berringa Peninsula Community Network, Tallangatta Neighbourhood Centre, the Upper Murray Football Netball League and volunteers from Bushfire Recovery Victoria and Rotary.

---

## **April 2022**

### **Corryong Circuit Trail construction commenced**

---

Supported by \$750,000 in State Government and \$250,000 of Federal Government funding we commenced work on the Corryong Circuit Trail project.

The trail provides an all-abilities pathway for pedestrians and cyclists, providing valuable recreation options for residents and visitors. It also delivers wayfinding signage directing users off the circuit to places of significance.

---

## **May 2022**

### **Welcome Baby Ceremony**

---

We welcomed 35 new babies into the Upper Murray community at the Health and Wellness Fair delivered by Corryong Health. It was a day of family fun with pony rides, face painting, balloon creations and free car restraint checks, as well as community and health information.

---

## **June 2022**

### **Economic Development Strategy and Destination Management Plan adopted**

---

Following a robust community consultation process we adopted our *Economic Development Strategy* and *Destination Management Plan*.

The *Economic Development Strategy* provides strategic direction for future business development, investment attraction and sustainable growth in the municipality, while the *Destination Management Plan* guides development and growth of the visitor economy, supporting a prosperous local tourism industry.

---

## Major capital works

---

### Great River Road – Stage Two

**\$2,055,263 (in 2021/22)**

---

Works continued on the Great River Road – the premier touring experience along the Murray River. Stage two works saw construction commence on wayside stops with seating and viewing platforms as well as walking trails in Walwa, Jingellic and Tintalra. Preparatory works also commenced for the development of four sculptures as well as wayfinding and interpretive signage.

The project was funded by a \$5 million grant from the Victorian Government's Bushfire Recovery Regional Economic Stimulus and Resilience Fund.

---

### Georges Creek Road Upgrades

**\$1,022,387**

---

The upgrades to Georges Creek Road were completed, including the widening and upgrading of approximately 1.8km of sealed surface from Murray River Road to the end of the existing seal, and an upgrade to the intersection at Murray River Road.

These works were supported by \$805,392 in State Government funding and marked the final stage of a project that has resulted in improved connectivity between the Talgarno and Bellbridge areas to the Murray Valley Highway and Tallangatta.

---

### Tallangatta Holiday Park - Stage Two

**\$660,890 (in 2021/22)**

---

Stage two of the Tallangatta Holiday Park transformation was completed, providing a more relaxing and comfortable stay for families. Works included upgrades to internal roads, new lighting, improvements to the existing toilet block, a sealed walking path along the foreshore, replacement of the pine bollards on the park boundary with rock and chain, and new blinds for the camp kitchen.

The project was supported by \$500,000 in funding from the State Government and delivered the final stage of the Tallangatta Holiday Park Masterplan.

---

### Corryong Circuit Trail – Stage One

**\$362,904 (in 2021/22)**

---

Supported by \$750,000 in State Government and \$250,000 of Federal Government funding, stage one of the Corryong Circuit Trail was completed. The trail provides an all-abilities pathway for pedestrians and cyclists, providing valuable recreation options for residents and visitors. It also delivers wayfinding signage directing users off the circuit to places of significance.

The trail extends around the outer streets of Corryong and connects Strezlecki Way to Galleon Park. The total cost of the project is \$1,250,000 with Stage two scheduled in 2022/23.

---



---

**Bullioh and Cudgewa Netball Court Upgrades**

**\$236,695**

---

Upgrades to the Bullioh and Cudgewa netball courts were completed with the contribution of \$100,000 in State Government and \$200,000 of Federal Government funding respectively.

In Cudgewa, works included the reconstruction of the netball courts, surfacing and line marking, new netball goal posts, lighting and fencing. In Bullioh, works included the reconstruction and surfacing of netball courts at the Wyebooboo Recreation Reserve.

---

## Financial summary

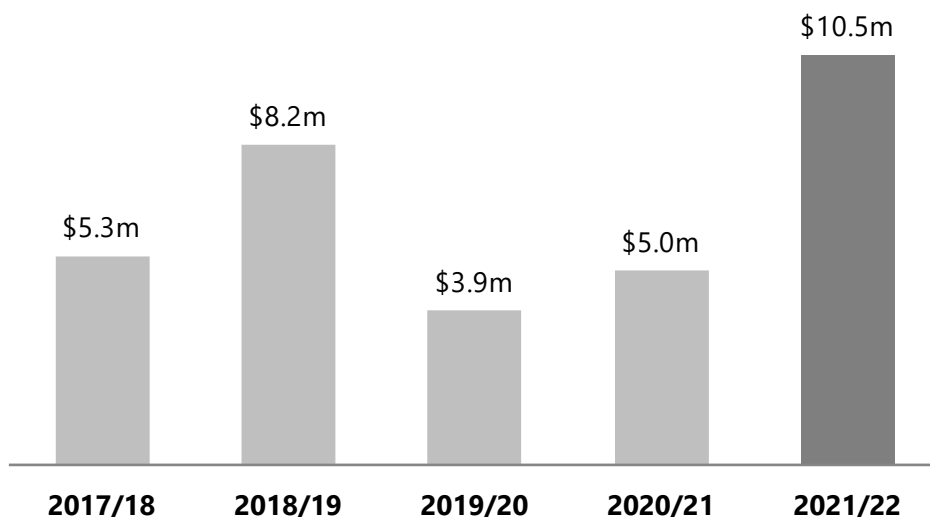
### Operating result

Our Financial Statements for 2021/22 show that we achieved a surplus of \$10.5 million which was \$9.3 million higher than expected. This was primarily due to:

- the receipt of operating grants that were unanticipated at the time that the budget was prepared (\$7.4 million)
- the reimbursement of disaster recovery costs through Disaster Recovery Funding Arrangements (\$0.9 million)
- lower than anticipated employee costs due to vacant positions throughout the year (\$0.9 million).

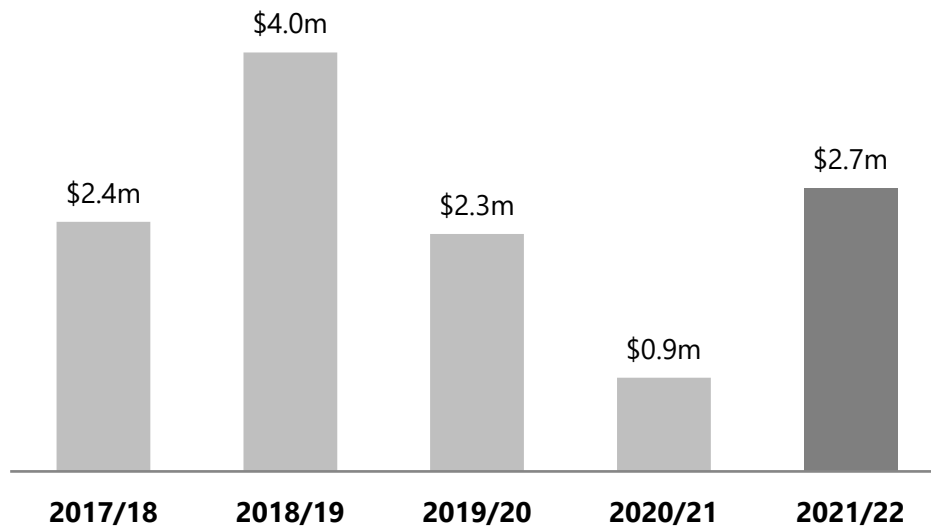
In relation to grants, major factors included the early receipt of 75% or \$3.8 million of the 2022/23 Financial Assistance Grants allocation, and the receipt of an additional \$1.9 million in Bushfire Recovery funding over what had been included in the budget.

A comparison of **operating results** from 2017/18 to 2021/22 is provided in the graph below.



### Adjusted underlying result

The adjusted underlying result is Council's operating result less any capital grants. The adjusted underlying result is a measure of financial sustainability. A comparison of Council's **adjusted underlying result** from 2017/18 to 2021/22 is provided in the following graph.



The positive underlying result is primarily reflective of the impact of grants as described above, including the early receipt of \$3.8 million in Financial Assistance Grants funding. Financial Assistance Grants are a key source of funding for business-as-usual services and the early funds received will support the ongoing operation of the Council in 2022/23.

### **The rate capping environment**

The Victorian Government introduced the Fair Go Rates System from 1 July 2016 to contain the cost of living for ratepayers, with annual rate increases limited by the ‘rate cap’ set by the Minister for Local Government. If a council has a strong requirement to raise rates in excess of the cap, an exemption request for a higher rate cap can be lodged to the Essential Services Commission for formal approval. The approval process is extremely rigorous and includes a consideration of community views and other funding options. There are no higher rate caps currently in place.

### **Financial sustainability challenges**

Like other small councils across rural Victoria, Towong Shire’s large geographic area and small population present significant challenges to adequately fund the maintenance and renewal of community assets and deliver responsive services that meet the needs of the community. Low population, vast distances between communities and an economy that largely revolves around climatic conditions (particularly agriculture, forestry and tourism) are further factors which impact our financial capacity. In addition we do not have the option to raise revenue through other avenues like larger councils do, such as parking fees, development contributions and levies.

### **Recent rates levels**

In 2016/17 we successfully applied for a higher rate cap of 5.55% on the basis of the severity of our financial sustainability challenges and implemented successive rate increases in excess of the standard rate cap between 2017/18 and 2019/20. We were able to withhold the proposed increase for 2020/21 as a result of receiving State Government-funded bushfire recovery support.

Council is no longer exempt from the standard rate cap. In assessing the capacity of ratepayers to pay, and in consideration of the fairness of continuing to impose high rate increases compared to the rest of the state, Council has not applied for a further exemption. Council believes that ratepayers should not be burdened with increases to the cost of living, particularly where the responsibility lies with State and Federal Governments. A rate increase of 1.5% in line with inflation and the annual rate cap was approved as part of the 2021/22 Budget process, and similarly a rate increase of 1.75% was approved as part of the 2022/23 Budget process in line with the current rate cap.

## **Sustainability outlook**

There are certainly challenges in maintaining our services and infrastructure at the levels that our communities should be able to expect given that recent inflation levels have well exceeded the State Government's rate cap. We have worked very hard over a number of years to secure substantial grant funding to support a wide range of capital works for the benefit of our communities. Both Councillors and Council officers have advocated for the needs of our ratepayers and residents to be met, and many well-considered grant applications to both State and Federal Governments have been made. This work has paid off in the last couple of years, while we have substantial funds to support our communities, much of this funding is committed to specific, one-off projects. Reliance on one-off funding grants is not sustainable, and without the ongoing support of Federal and State governments, our ability to deliver on community needs into the future may be compromised.

We continue to lobby the State and Federal Governments for more reliable funding sources to support long term infrastructure renewal needs. We continue to meet directly with representatives, make formal submissions and undertake collaborative campaigns with other small rural councils. In lieu of more reliable funding being available, a reduction in services or a reduction in maintenance and renewal of existing infrastructure may become required.

## **Long term response**

Council's long term response to sustainability is to increase the number of people residing in communities throughout Towong Shire. This supports better utilisation of existing rural infrastructure and results in costs being spread over a larger ratepayer base. Council has demonstrated its commitment to this long term strategy with its continued delivery of a number of key strategic projects, including:

- Master planning exercises in key communities (Tallangatta Tomorrow, Our Bellbridge, Our Valley Our Future, UM2030 Vision Plan)
- Construction of new recreational facilities and multi-purpose centres throughout the Shire (Corryong, Cudgewa, Mitta Mitta, Tallangatta, Tallangatta Valley and Walwa)
- Construction of a new Library, Early Years and Community Centre in Tallangatta.

Other measures include a continued focus on opportunities to reduce the cost of service delivery, including the development of shared services with other councils.

If there is not adequate funding to provide basic services and infrastructure, people will relocate to larger shires and regional cities where they can access services and infrastructure that meet their needs. A reduction in the local population becomes a downward spiral for rural towns, as there are less residents to contribute to the community and to share the cost of local services and infrastructure. This in turn places greater financial pressure on rural councils.

## Rates and charges

Rates and charges increased by \$207,000, reflecting a 1.5% increase in general rates and the municipal charge in line with the State Government mandated rate-cap, a 3% increase in kerbside collection charges, and an additional small increase due to supplementary development.

## Fees and fines

Statutory fees decreased somewhat from \$316,000 to \$280,000 primarily due to a drop off in building permits, fees and charges. User fees remained steady at \$1.2 million.

## Grant income

Grant income received was \$19.4 million, another substantial result following the prior year outcome of \$14.6 million. This was approximately \$7.4 million higher than anticipated in the Budget. Key factors included the early receipt of \$3.8 million in Financial Assistance Grants, and the receipt of \$1.9 million in unanticipated bushfire relief and recovery funding.

## Other Income

Other income declined from \$4.1 million to \$1.7 million primarily due to substantial reimbursements from the Disaster Recovery Funding Arrangements program in 2020/21 relating to the 2019/20 bushfires. \$3.0 million was received from the Disaster Recovery Funding Arrangements in 2020/21 and a subsequent \$0.9 million was received in 2021/22.

## Expenses

Expenditure fell from \$24.7 million to \$21.5 million, a result that was \$0.3 million lower than Budget. This included unanticipated one-off costs in 2020/21 related to bushfire recovery, including contractor costs of \$1.4 million, and garbage disposal costs of \$1.2 million due to the bushfire-damaged Corryong landfill being inoperable.

## Capital expenditure

Capital works expenditure was \$9.5 million, which was significantly less than budgeted expenditure of \$25.6 million. This was primarily due to the ongoing disruption of COVID-19 resulting in project delays. Projects impacted included the Hanson Street Corryong upgrade, Colac Colac Caravan Park upgrades, the Stock Route (Corryong), the Mitta streetscape upgrade, the Towong Street East upgrade, Georges Creek Road – Section 3, Wises Creek Road, the Bridges replacement program, and various other planned infrastructure works that were carried forward to 2022/23.

# Our Council

## Councillors

The Councillors were elected for a four-year term at the elections held 24 October 2020. Cr Wortmann was elected as Mayor and Cr Dikschei as Deputy Mayor on 8 November 2020 for a one-year term. On

24 November 2021 Cr Whitehead was elected as Mayor and Cr Wortmann as Deputy Mayor for a one-year term.



**Cr Andrew Whitehead | Mayor**

Cr Andrew Whitehead was first elected to Council in October 2016. He was re-elected to Council on 24 October 2020 to serve his second term. After two terms as Deputy Mayor he now serves as Mayor. A resident of Towong Shire all his life, he lives with his wife on the family beef and sheep farm in Towong Upper where they are raising their four children.



**Cr David Wortmann | Deputy Mayor**

Cr David Wortmann was first elected to Council in November 2008. He was re-elected to Council on 24 October 2020 to serve his fourth term. Cr Wortmann has served six terms as Mayor and is now serving as Deputy Mayor. He has lived in Granya all his life and is married with two children. He runs a beef and sheep farm and also operates a school bus service.



**Cr Denise Anderson**

Cr Denise Anderson was first elected to Council on 24 October 2020. She has been a resident of Towong Shire for 22 years and has lived in the region all her life. Together with her husband Bill, she has three adult children. Cr Anderson has owned a small business, has experience in the banking and medical industries, and has been involved with a variety of school and community organisations.



**Cr Peter Dikschei**

Cr Peter Dikschei was first elected to Council on 24 October 2020 and was elected to the office of Deputy Mayor. He has retired to Towong after a respected career with the Victoria Police and lives there with his wife. He is a member of the Corryong Baptist Church and the SES, and is also a keen cyclist.



**Cr Aaron Scales**

Cr Aaron Scales was first elected to Council in October 2012. He was re-elected to Council on 24 October 2020 to serve his third term. He has served one term as Mayor. Cr Scales studied Law, Accounting and Hospitality/Tourism and has completed a Master of Business Administration. He was raised on his family's farm at Dartmouth and now lives in town with his two children, where he owns and manages the Dartmouth Hotel.

## Our people

### Management team

The Chief Executive Officer is appointed by Council to oversee the operations of the organisation. The Chief Executive Officer, together with a team of Directors ensures that the priorities identified in the Council Plan are achieved and that day-to-day responsibilities are effectively undertaken.

#### **Juliana Phelps | Chief Executive Officer**

Ms Phelps was appointed Chief Executive Officer in May 2009, having served as Council's Director Community and Corporate Services for a period of ten years. Juliana is a Chartered Accountant and holds a Masters of Business Administration as well as a Bachelor of Business Degree in Accounting and Economics. Juliana is also a graduate of the Australian Institute of Company Directors and in 2020 was recognised as one of the top 50 Public Sector Women in Victoria.

#### **Rachael Gadd | Director of Infrastructure and Environment**

Ms Gadd was appointed to the role of Director Infrastructure and Environment in October 2019. As Director of Infrastructure and Environment, Rachael is responsible for managing Council's assets, including the maintenance and construction of roads, buildings and storm water management to ensure public safety and the delivery of appropriate levels of service for the community. Rachael previously worked for Council in the position of Civil Asset Engineer and has a diverse background having worked in education, as a Geological Field Assistant and a Small Business Manager in the United Kingdom.

#### **Amanda Pagan | Director of Community and Planning**

Ms Pagan was appointed to the role of Director of Community and Planning in December 2019. As Director of Community and Planning, Amanda is responsible for the management and leadership of a range of areas including Land Use Planning, Community Wellbeing, Economic Development, Recreation, Arts and Culture, and Emergency Management. Amanda has had a diverse career working for private, not-for-profit and Government organisations, including Deloitte Consulting, the Brotherhood of St Laurence, the Australian Red Cross Blood Service and St Vincent's Hospital.

#### **Emma Woolaston | Director of Corporate and Organisational Development**

Ms Woolaston was appointed to the role of Director Corporate and Organisational Development in October 2020. As Director of Corporate and Organisational Development, Emma is responsible for managing the areas of Governance, Human Resources, Finance, IT, Customer Service, Communications and Engagement, Records Management and Local Laws. Emma brings to the role a wealth of experience in strategy, business development, operations and governance gained from over fifteen years in management consulting and corporate banking roles, including with the Commonwealth Bank.

## Organisational structure

<b>Chief Executive Officer</b> Juliana Phelps	
<b>Rachael Gadd</b> <b>Director Infrastructure and Environment</b>	
<b>Works</b> Infrastructure maintenance Parks and open spaces <b>Projects</b> Construction and development <b>Assets</b> Asset management Capital projects	<b>Regulatory control</b> Building services Environmental health <b>Environment</b> Waste management Wastewater and water supply Forest industry support
<b>Amanda Pagan</b> <b>Director Community and Planning</b>	
<b>Community</b> Kindergartens Maternal and child health Recreation Youth, family and senior programs Emergency management <b>Land use Planning</b>	<b>Economic and Tourism Development</b> Business support Agricultural diversity Visitor information services Event support <b>Recreation Arts and Culture</b> Swimming Pools
<b>Emma Woolaston</b> <b>Director Corporate and Organisational Development</b>	
<b>Finance</b> Accounting Rates and property Payroll <b>Communications and Media</b> Communications Community engagement	<b>Corporate</b> Information technology Risk management and insurance Governance Customer service Human resources Records management <b>Ranger &amp; Local Laws</b>
<b>Jenelle Williamson</b> <b>Manager Relief and Recovery*</b>	
Stakeholder engagement Municipality Recovery planning Economic Recovery Recovery projects	Relief coordination Communications Community engagement

*\*Temporary directorate established with funding from Bushfire Recovery Victoria in the immediate aftermath of the 2019/20 bushfires to coordinate relief and recovery services. From 1 July 2022 functions of the relief and recovery directorate have been incorporated into regular business activities across the organisation.*



## Workforce statistics

A summary of the number of full time equivalent (FTE) council staff, as at 30 June 2022, by key result area, employment type and gender is set out below.

Key Result Area	Full time		Part time		Casual		Total
	Male	Female	Male	Female	Male	Female	
Asset management	34.4	4.2	-	1.4	-	-	<b>40.0</b>
Community wellbeing	3.1	1.0	1.1	23.8	0.4	3.4	<b>32.8</b>
Economic and tourism development	-	1.1	0.4	2.4	-	-	<b>3.8</b>
Land use	-	1.1	-	-	-	-	<b>1.1</b>
Environmental sustainability	6.2	-	0.5	-	0.2	-	<b>6.9</b>
Organisational improvement	4.2	5.1	0.8	6.8	-	2.4	<b>19.4</b>
Relief and recovery	-	2.4	-	0.8	-	-	<b>3.2</b>
Executive	-	1.1	-	-	-	0.4	<b>1.4</b>
<b>TOTAL</b>	<b>47.9</b>	<b>15.8</b>	<b>2.8</b>	<b>35.2</b>	<b>0.6</b>	<b>6.2</b>	<b>108.6</b>

A summary of the number of full time equivalent (FTE) council staff, as at 30 June 2022, by employment classification and gender is set out below.

Employment Classification	Male	Female	Total
Band 1	-	-	-
Band 2	-	-	-
Band 3	18.1	4.5	<b>22.6</b>
Band 4	11.4	13.7	<b>25.1</b>
Band 5	4.4	13.0	<b>17.4</b>
Band 6	3.6	4.5	<b>8.1</b>
Band 7	7.3	3.6	<b>10.9</b>
Band 8	3.2	1.9	<b>5.1</b>
Band not applicable	3.3	16.1	<b>19.4</b>
<b>TOTAL</b>	<b>51.3</b>	<b>57.3</b>	<b>108.6</b>

## Equal employment opportunity

Council has a Discrimination, Harassment, Bullying, Equal Employment Opportunity and Diversity policy that is reviewed and adopted each year. The policy reflects our desire to enjoy a workplace free of discrimination where each person has the opportunity to progress to the extent of their abilities.

Discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, religious or political affiliation is not tolerated. Selection of individuals for employment is on the basis of merit and flexible arrangements are available to support employees to balance work and family responsibilities.

## Our performance

### Planning and accountability framework

The *Local Government Act 2020* requires councils to prepare the following planning and reporting documents:

- A ten-year Community Vision;
- A ten-year Financial Plan;
- A ten-year Asset Plan;
- A four-year Council Plan;
- A four-year Revenue and Rating Plan;
- A four-year Workforce Plan;
- A Budget for each financial year and the subsequent 3 financial years;
- An Annual Report in respect of the prior financial year;
- A quarterly budget report in respect of each quarter of the financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government, as well as other key strategic plans of Council. There are opportunities for community and stakeholder engagement at each stage of the planning and reporting cycle.

Planning			Reporting
<i>Long term</i>	<i>Medium term</i>	<i>Short term</i>	
Community Vision Asset Plan Financial Plan Place-Based Master Plans <ul style="list-style-type: none"> <li>• Tallangatta Tomorrow</li> <li>• UM2030 Vision Plan</li> <li>• Our Valley, Our Future</li> <li>• Our Bellbridge</li> </ul>	Council Plan Healthy Communities Plan Budget Revenue and Rating Plan Workforce Plan Planning Scheme	Annual Budget	Annual Report Council Plan Reporting Quarterly Budget Reporting 'Know Your Council' Website – Performance Reporting

### Reporting on delivery of the Council Plan

The following pages detail Council's performance for the 2021/22 year against the six strategic objectives and the associated strategies and indicators detailed within the *Council Plan 2021-2025*.

## 1. Asset management

### Strategic objective

Maintain and improve our Shire's infrastructure to meet the levels of service established in consultation with our communities.

### Strategies

Deliver key projects to support economic, tourism and social development in the Shire.

Continue to develop services and facilities to support long term population growth.

Implement safety improvements across our roads and footpath networks.

<b>Highlights</b>	<ul style="list-style-type: none"> <li>• Completion of Stage Two of the Tallangatta Holiday Park Upgrade.</li> <li>• Renewal of the Cudgewa and Bullioh Netball courts.</li> <li>• Construction of the Tintaldra boat ramp.</li> <li>• Delivery of building efficiency upgrades at Council offices.</li> <li>• Securing funding to seal an additional 2km of Georges Creek Road.</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Significant increases in material and fuel costs.</li> <li>• Delays to capital works program and maintenance services due to COVID-19 impacts on staff and contractor availability.</li> <li>• Two large storm events in January 2022 which diverted resources from regular maintenance and construction activities.</li> </ul>

This year we worked towards the delivery of one of Council's most ambitious capital programs. While significant inroads have been made, increased fuel and material costs combined with staff and contractor availability have impacted budgets and in some cases project delivery.

We saw the completion of some long-term projects including the Tallangatta Holiday Park upgrade - a project we started in 2014 with the development of the Tallangatta Holiday Park Masterplan; and Georges Creek Road - resulting in improved connectivity between the Talgarno and Bellbridge areas to the Murray Valley Highway and Tallangatta.

We began Stage two of the Great River Road project – the premier touring experience along the Murray River. This included construction of wayside stops with seating and viewing platforms as well as walking trails in Walwa, Jingellic and Tintaldra. Preparatory works also commenced for the development of four sculptures as well as wayfinding and interpretive signage.

Construction commenced on the redevelopment of the Corryong Saleyards including the establishment of a 24 hour self-service weighbridge and truck wash to service agricultural businesses of the Upper Murray. In addition, streetscape upgrades were undertaken for Mitta Mitta and Towong Street East in Tallangatta, shade sails were installed at the Bellbridge and Tallangatta foreshores, new public toilet blocks were built at Cudgewa, Playles Hill and Corryong, and the widening and realignment of a 5km section of Wises Creek Road began.

To support the delivery of current and future capital works we secured substantial Federal Government funding. This included \$1.17 million under phase three of the Federal Government's Local Roads and Community Infrastructure program to upgrade the walking tracks in Eskdale and Bellbridge, the construction of a splash park and pump track in Dartmouth as well as a contribution to the Sandy the War Horse Memorial Statue in Tallangatta. Funding was also secured under the Federal Government's Black Summer Fund to undertake work on the Cudgewa Streetscape including the Cudgewa Avenue of Honour, the construction of a new amenities block for the Walwa Recreation Reserve and a new skatepark in Corryong.

### Strategic indicators

Indicator	Target	Result 21/22	Result 22/23	Result 23/24	Target Reached
Sealed local road requests	Reduction in number of requests	22			Yes
Unsealed local road requests	Reduction in number of requests	83			N/A*
Requests per 100km of sealed local roads	Reduction in number of requests	5.73			Yes
Unsealed road condition	Improvement in condition	196			N/A*
Fatal and non-fatal crash statistics across the shire attributable to road safety	Improvement in crash statistics	0			Yes
Completion of annual capital works projects	100% complete	25%			No

\* First year of measurement, reach of target will be assessed for the first time in 2022/23

## Service performance indicators

Indicator	Result 2018/19	Result 2019/20	Result 2020/21	Result 2021/22	Comments
<b>ROADS</b>					
<b>Satisfaction of use</b>					
<i>Sealed local road requests</i>  [Number of sealed local road requests / Kilometres of sealed local roads] x100	10.32	10.05	9.52	5.73	local roads in 2021/22, compared to 36 in 2020/21 and 38 in 2019/20. Council has been more proactive in repairing damages, prior to receiving requests from the community.
<b>Condition</b>					
<i>Sealed local roads maintained to condition standards</i>  [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	100.00%	100.00%	100.00%	n/a	Due to damage caused by flooding in January 2022
<b>Service cost</b>					
<i>Cost of sealed local road reconstruction</i>  [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$0.00	\$45.49	\$59.02	\$59.58	
<b>Service Cost</b>					
<i>Cost of sealed local road resealing</i>  [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.15	\$6.37	\$7.30	\$0.00	There were no sealed local roads resealed this year.
<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]	58.00	63.00	57.00	50.00	Council's performance in 2021/22 was in-line with the Small Rural Council average for the year of 50. Council's performance was slightly below the State average for 2021/22 of 53.

## Council Plan progress report

Initiatives and Priorities		Status	Comments
1.1	Deliver 100% of the annual capital works program and bushfire recovery projects	In Progress	64 projects were included in the program for 2021/22; 56 projects are in progress and 8 are complete.
1.2	Deliver infrastructure projects that arise from place-based master planning	In Progress	Masterplan process underway for Cudgewa. Other towns planned for 2022/23.
1.3	Complete Stage Two Great River Road	In Progress	Construction is ongoing and the development of artworks and signage has commenced with community engagement.
1.4	Continue the upgrade of Georges Creek Road	Complete	Sections 1 and 2 have been sealed.
1.5	Complete upgrades of Hanson Street from Sugarloaf Road to Kiel Street	In Progress	Water and sewer designs are nearing completion and the final review of civil design is underway.
1.6	Complete the upgrade of the Stock Route in Corryong	In Progress	Land acquisition discussions are progressing with Department Environment, Land, Water and Planning, North East Water and private landholders.
1.7	Progressively deliver the upgrade of the unsealed sections of Lake Road	In Progress	Design phase is 80% complete.
1.8	Investigate upgrade options for Wisers Creek Road	In Progress	Construction has commenced.
1.9	Advocate for the upgrade of the Benambra Corryong Road from Staceys Bridge 40km South	Ongoing	Joint advocacy approach in development with East Gippsland Shire.
1.10	Seek funding to deliver upgrades of key transport routes and hazardous road alignments to improve efficiency and safety	Ongoing	Approval process with VicRoads is underway for Old Tallangatta intersection. Design finalised for Brooke Street/Murray River Road intersection.
1.11	Seek funding to deliver upgrades of load limited bridges on strategic transport routes	In Progress	Funding secured via Department Environment, Land, Water and Planning to upgrade bridges on

Initiatives and Priorities		Status	Comments
			Burrowye Road, Smythes Road and Little Snowy Creek Road.
1.13	Complete the upgrade of the Corryong CBD	In Progress	Construction scheduled for completion in 2022/23.
1.14	Complete streetscape upgrades in Dartmouth and Mitta Mitta	In Progress	Construction of Stage One works in Mitta Mitta to commence in October 2022, funding being sought for Stage Two.  Works in Dartmouth to be delivered as part of the construction of the splash park and pump track.
1.15	Conduct planning for streetscape upgrades in Towong, Tintaldra and Cudgewa	In Progress	Planning has commenced on streetscape upgrades.
1.16	Continue to deliver the strategic footpath network improvement program in urban areas	Ongoing	Corryong Circuit Trail and Towong Street East streetscape (including footpaths) currently under construction. Contractors appointed to complete sealing of walking tracks in Bellbridge, Eskdale, Walwa/Jingellic, Tintaldra and Towong.
1.17	Address long vehicle and overflow parking issues in CBD areas	In Progress	Long vehicle parking signs installed in Tallangatta (Lord's Hut/Akuna Avenue), long vehicle parking to be delivered in Mitta Mitta and Corryong as part of streetscape works. Other locations to be considered as part of town master planning process in 2022/23.
1.18	Seek funding to deliver improved public toilets across the shire	In Progress	Playles Hill and Cudgewa toilet blocks under construction. Walwa Toilet block upgrades planned for July 2022. Tallangatta Triangles and Corryong CBD toilet block upgrades in design phase and Talgarno scheduled for

Initiatives and Priorities		Status	Comments
			2022/23. Funding being sought for Mitta Mitta.
1.19	Seek funding to deliver upgrades to town entrances and wayfinding signage across the shire	Not started	Future start date scheduled.
1.20	Seek funding to deliver an upgraded Corryong Integrated Community Centre	Not Started	Funding application pending the completion of the masterplan for the old Corryong Primary School site.
1.21	Increase the recreation opportunities for young families in Dartmouth	In Progress	Funding secured from the Federal Government's Local Roads and Community Infrastructure Program to deliver a pump track and splash park in Dartmouth.
1.22	Review and deliver the strategic parks and playgrounds upgrade program to completion	In Progress	Planning and design underway for splash park and pump track in Dartmouth and playground renewal at Bethanga.
1.23	Undertake upgrades at the Colac Colac Caravan Park to ensure long term viability of the park	In Progress	Eastern amenities and camp kitchen complete and two shade shelters installed. Kiosk/café under construction and planning underway for the western amenities block, playground and entrance upgrade.
1.24	Investigate options for additional boat ramps	Not Started	Future start date scheduled.
1.25	Deliver the Corryong aerodrome 24 hour fuel project	In Progress	Under construction and due for completion in 2022/23.
1.26	Seek funding to deliver a rolling program for the maintenance of strategic limited access roads for improved emergency services access	Not Started	Future start date scheduled.
1.27	Deliver annual asset inspection and renewal programs per asset management and road management plan requirements	Ongoing	Inspection undertaken as per program.
1.28	Implement the maintenance program for Council's buildings	Ongoing	Replacement of heating ventilation and air conditioning at Tallangatta Office completed.



## 2. Community wellbeing

### Strategic objective

Encourage and support all people in our Shire to be healthy, happy, connected and resilient.

### Strategies

Encourage active lifestyles and facilitate access to activities that have meaning to our community members in order to improve wellbeing.

Support our communities to be inclusive, warm and welcoming.

Advocate for every person to have access to adequate housing, transport, education and care.

Support our communities to be more resilient and safer against future adverse events.

Support our communities in understanding and mitigating climate change risk.

<p><b>Highlights</b></p>	<ul style="list-style-type: none"> <li>• Reactivation of the Tallangatta Neighbourhood House to support mental health and wellbeing, build resilience and foster community connectedness.</li> <li>• Successful delivery and expansion of childcare across the Shire.</li> <li>• Successful implementation of three-year-old kindergarten.</li> <li>• Establishment of the Municipal Health and Wellbeing Plan in partnership with the Towong Alliance.</li> <li>• Delivery of extensive activities for young people across the Shire.</li> </ul>
<p><b>Challenges</b></p>	<ul style="list-style-type: none"> <li>• Recruitment of educators and teachers to support growth and demand in Early Years Learning Services, across all service locations.</li> <li>• Recruitment and training of Lifeguards at Tallangatta and Corryong swimming pools.</li> <li>• Delivery of community services and programs during evolving COVID-19 restrictions.</li> </ul>

We supported a wide range of community wellbeing initiatives throughout 2021/2022, despite the challenges of COVID-19. The strong engagement and appreciation of this work is demonstrated by the significant increase in participation in all activities.

Childcare services were delivered in Tallangatta, Bellbridge and Walwa with sites operating between 60-75% capacity because of staff availability due to COVID-19. Staff recruitment is an ongoing focus in order to increase centre capacities and reduce wait lists. This year, three-year-old kindergarten commenced and operated successfully alongside the four-year-old program in Corryong, Tallangatta, Bellbridge and Walwa.

Funding was secured for a range of improvements across Centres including installation of shade sails at the Corryong Preschool and Tallangatta Early Years Centres. These upgrades will provide sun smart play spaces that are inclusive and provide greater safety to users.

Following a review of Maternal Child Health needs across the Shire, the Maternal Child Health team was restructured to enable the delivery of weekly Maternal Child Health services in Mitta Mitta and Bellbridge. First Time Parents Groups, Mother Goose Programs and Support Playgroups continue to operate, with additional programs and locations identified for commencement in the future.

Funding was received for the delivery of the FReeZA youth program and the Tallangatta Neighbourhood House, resulting in a significant increase in community participation and engagement in programs and services.

The Tallangatta Neighbourhood House delivered programs to support mental health and wellbeing, build resilience and foster a sense of connectedness within the community. A total of 29 activities were delivered for the period, engaging over 1000 participants. Some activities delivered included:

- Emergency Preparedness Day
- Community Christmas Celebrations
- Family Movie Night
- Barefoot Bowling
- Standup Paddleboarding
- Author Talks
- Woodworking sessions
- Community Breakfast

Youth programs and services were undertaken to support the Towong Shire Council Youth Plan 2019-2023. Programs incorporated themes of leadership development, prevention programs and workplace readiness training and included The Resilience Project, Teacher wellbeing workshop, Green Bean Project and R U Okay? Day.

Council commenced the development of a Reconciliation Action Plan (RAP) in conjunction with Bushfire Recovery Victoria, Alpine Shire Council, local health services and traditional owner groups. A relationship with the Duduroa Dhargal traditional group has been facilitated and meaningful conversations are helping shape understanding and education as the RAP continues to be developed. Cultural Awareness Training Sessions were facilitated in Corryong and Tallangatta, supported by the Victorian Aboriginal Child Care Agency.

Davis Cottage continues to provide a studio hub for a range of artists and local groups with a number of author talks, exhibitions and workshops delivered. Funding from Working for Victoria supported the development of a booking system and physical resources for the Davis Cottage space, as well as the facilitation of the Sounds Like Us project and music industry event.

Despite COVID-19 staffing challenges the pool season was successfully delivered at both the Corryong and Tallangatta pools. A range of events were supported across the season including swimming lessons, carnivals, social events and cinema nights.

As work continues on the *Sport and Recreation Strategy*, recurring themes have been identified throughout communities, including a desire for improved female-friendly facilities and improved lighting across reserves. Council will continue to work with Committees of Management to support the development of funding applications to help deliver on these and other priorities.

To support more cooperative and efficient emergency management practices we established the North East Hume Emergency Management Collaboration (NEHEMC) with Indigo and Alpine Shire Councils. This has resulted in the standardisation of Emergency Relief Centre Arrangements across all

three local government areas. Council has led the drafting of the 2022-25 Municipal Emergency Management Plan (MEMP) and is developing the new Municipal Fire Management Plan as a sub-plan of the MEMP. Council also supported the formation of the Fire Planning Sub Committee of the Municipal Emergency Management Committee, led by Department of Environment, Land, Water and Planning with Council's Municipal Fire Prevention Officer (MFPO) sitting on this Committee.

## Strategic indicators

Indicator	Target	Result 21/22	Result 22/23	Result 23/24	Target Reached
Wellbeing	Improved wellbeing	↓14.3%			No
Community Resilience Plans	Plans developed	9			Yes
Sedentary behaviour	Reduction in sedentary behaviour	↑11.4%*			No
Family violence and suicide occurrences	Decrease in occurrences*	FV ↑ 50%** Suicide ↑ 6%			No
Participation in MCH, early education and early childcare services	Increased participation*	91.1%***			Yes
Participation in Council run social inclusion activities	Increased number of participants*	2,928			Yes

\* Impact of COVID-19 lockdown restrictions is reflected in increased sedentary behavior.

\*\*Instances of family violence often increase in the two-five year period following a natural disaster (this reporting period follows the Black Summer Bushfires). Additional community based resources to support those experiencing family violence often result in higher reporting rates.

\*\*\* Based on 2020/21 data and information.

## Service performance indicators

Indicator	Result 2018/19	Result 2019/20	Result 2020/21	Result 2021/22	Comments
<b>AQUATIC FACILITIES</b>					
<b>Service standard</b>					
<i>Health inspections of aquatic facilities</i>  [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	1.00	0.00	A full facility inspection was to be completed this year, however delays to the completion of pool renovations led to the inspections being postponed. Once the renovations were completed, the inspectors from Melbourne were unable to travel due to COVID restrictions.
<b>Utilisation</b>					
<i>Utilisation of aquatic facilities</i>  [Number of visits to aquatic facilities / Municipal population]	1.92	1.78	0.89	1.12	Council operates two outdoor seasonal swimming pools. There were 6,783 visits recorded in 2021/22 compared to 5,455 in 2020/21; 10,732 in 2019/20 and 11,607 in 2018/19.  Visitation rates were impacted by COVID-19 and the effects of lockdowns.
<b>Service cost</b>					
<i>Cost of aquatic facilities</i>  [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	\$13.10	\$22.99	\$22.64	Council operates two outdoor seasonal swimming pools. Lower costs in 2019-20 reflected the impact of COVID-19 and closures.  Visitation rates were impacted by COVID-19 and the effects of lockdowns.
<b>LIBRARIES</b>					
<b>Utilisation</b>					
<i>Physical library collection usage</i>  [Number of physical library collection item loans / Number	1.51	1.12	0.98	0.90	There were 13,442 items loaned (with 14,980 items available for loan) in 2021/22. This compares to 14,281 loaned of 14,542 available items in 2020/21; 17,101 loaned of 15,276

Indicator	Result 2018/19	Result 2019/20	Result 2020/21	Result 2021/22	Comments
of physical library collection items]					available items in 2019/20; and 22,310 loaned of 14,738 available items in 2018/19. This indicator highlights the impact of COVID-19 and associated restrictions.
<p><b>Resource standard</b></p> <p><i>Recently purchased library collection</i></p> <p><i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i></p>	38.64%	37.70%	36.43%	33.47%	The number of items purchased for the collection was slightly lower compared to previous years.
<p><b>Participation</b></p> <p><i>Active library borrowers in municipality</i></p> <p><i>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</i></p>	10.56%	10.82%	9.16%	8.00%	Council operates two static libraries in its main centres of Corryong and Tallangatta. These libraries service our small dispersed population which is spread over 6,635 square kilometres. Many residents reside outside the two main centres where the static libraries are located and may access other library services in neighbouring municipalities. Library participation declined due to the impact of COVID-19 and associated restrictions.
<p><b>Service cost</b></p> <p><i>Cost of library service per population</i></p> <p><i>[Direct cost of the library service / Population]</i></p>	New in 2020	\$28.49	\$25.70	\$24.37	

Indicator	Result 2018/19	Result 2019/20	Result 2020/21	Result 2021/22	Comments
<b>MATERNAL AND CHILD HEALTH (MCH)</b>					
<b>Service standard</b>					
<p><i>Infant enrolments in the MCH service</i></p> <p>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</p>	100.00%	100.00%	102.08%	107.69%	More infants enrolled in the MCH service than the number of birth notifications received.
<b>Service cost</b>					
<p><i>Cost of the MCH service</i></p> <p>[Cost of the MCH service / Hours worked by MCH nurses]</p>	\$57.43	\$62.81	\$70.07	\$68.43	
<b>Participation</b>					
<p><i>Participation in the MCH service</i></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>	81.31%	80.30%	85.50%	75.83%	There was an increase in both the number of children (273) attending the MCH service at least once as well as the total number of children (360) enrolled in 2021/22, though the proportion of children attending decreased for the year in comparison to previous years. There were 174 children who attended the MCH service at least once in 2020/21 compared to 163 in 2019/20 and 181 in 2018/19.
<b>Participation</b>					
<p><i>Participation in the MCH service by Aboriginal children</i></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>	66.67%	100.00%	100.00%	84.62%	There were 11 children who identify as having an Aboriginal or Torres Strait Islander background who participated in MCH services out of a total of 13 children who registered with the service. This is double the number of children who registered and participated (6.5) in 2020/21 and

Indicator	Result 2018/19	Result 2019/20	Result 2020/21	Result 2021/22	Comments
					also compares favourably to 3 in both 2019/20 and 2018/19.
<b>Satisfaction</b>					
<b>Participation in 4-week Key Age and Stage visit</b>  [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	102.17%	93.75%	100.00%	Every child born during 2021/22 received a 4-week Key Age visit.

### Council Plan progress report

Initiatives and Priorities	Status	Comment
2.1 Undertake place-based master planning for the Peninsula including the investigation of options for early years and community facilities	In Progress	Scheduled to commence in July 2022.
2.2 Undertake place-based master planning for the Mitta Valley, Corryong and Tallangatta	In Progress	Scheduled to commence in July 2022.
2.3 Maintain a contemporary Municipal Health and Wellbeing Plan (MHWP) which reflects our community priorities	In Progress	In conjunction with Tallangatta Health Service, Corryong Health and Walwa Bush Nursing a number of key priorities have been actioned to support our community to be safe, healthy, inclusive, adaptable and resilient. The MHWP Annual Review provides detailed updates on priorities.
2.4 Support the development of recreational activities and infrastructure to encourage active lifestyles for all ages and stages	In Progress	<i>Sport and Recreation Strategy</i> scheduled for adoption in July 2022 following extensive community engagement. Tallangatta Neighbourhood House programming included paddleboarding and barefoot bowling.
2.5 Review opportunities for communities to access library resources and connect through libraries	Ongoing	Community members assisted to connect with physical and digital library collections in Corryong and Tallangatta.

Initiatives and Priorities		Status	Comment
2.6	Develop a strategy for arts and cultural offerings across the Shire	Not Started	Future start date scheduled.
2.7	Expand and improve early years services across the Shire to support young families	Ongoing	Upgrades to outdoor play space at Corryong Preschool completed and funding secured for Bellbridge Early Years Learning Centre.
2.8	Renew the Youth Plan to embed the 'youth voice' in all aspects of service delivery	Ongoing	Ongoing collaboration with service agencies and youth networks ensures informed and appropriate services are delivered and considered in forward planning. As <i>The Youth Plan 2019-2023</i> approaches renewal, work continues with these affiliates to develop an updated plan that reflects the diverse youth portfolio across the Shire.
2.9	Advocate for the development of a variety of housing options to match community needs, particularly for older people	Ongoing	Advocacy efforts have targeted securing the short term modular housing used for bushfire recovery for ongoing use as independent living units across the shire.
2.10	Encourage the establishment of innovative, sustainable transport solutions for remote communities	Ongoing	Conversations with Kirinari Support Services for the provision of transport services across the Shire. Transport options are also considered in developing viability plans for economic development projects such as Mitta Masterplan and Dartmouth Revitalisation.
2.11	Support our communities to ensure that Shire places are welcoming to culturally and linguistically diverse (CALD) and LGBTIQ+ communities and are inclusive and connected	Not Started	Future start date scheduled.
2.12	Build relationships and develop understanding of aboriginal people and consider the commitment to an ongoing reconciliation action plan process	Ongoing	Commenced the development of a Reconciliation Action Plan (RAP), in conjunction with Bushfire Recovery Victoria, Alpine Shire Council, local health services and traditional owner groups. Building relationship with the Duduroa Dhargal Aboriginal Corporation.
2.13	Participate in key networks to support communities and key stakeholders on solutions to address family violence, suicide and mental health	Ongoing	Participation in Tallangatta and Corryong Family Violence Networks.



Initiatives and Priorities	Status	Comment
2.14 Support our communities to drive their recovery from bushfires and the COVID-19 pandemic and improve their mitigation of and resilience to future adverse events	Ongoing	Supported the development of nine Community Emergency Management Plans across the Upper Murray.

### 3. Economic and tourism development

#### Strategic objective

Expand economic and employment opportunities across our Shire in a sustainable way.

#### Strategies

Strengthen the capacity of existing and new businesses to thrive.

Expand tourism offerings, promotion and experiences across the Shire.

Support the agriculture sector to increase resilience and grow to meet the future challenges of the sector.

Support the diversification of the Shire's economy.

Advocate for improvements to critical infrastructure: mobile connectivity, internet and power.

<b>Highlights</b>	<ul style="list-style-type: none"> <li>• Adoption of the <i>Economic Development Strategy</i> and the <i>Destination Management Plan</i>.</li> <li>• Delivery and support of various workshops for the agriculture sector.</li> <li>• Securing of State Government funding to update and renovate the Tallangatta pool.</li> <li>• Provision of assistance to small businesses to adapt and recover from COVID-19 and support for the development of Chambers of Commerce in Corryong, Tallangatta and the Berringa Peninsula.</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Engagement with communities experiencing engagement fatigue following Black Summer Bushfires and COVID-19.</li> <li>• Limited ability to deliver events due to COVID-19.</li> </ul>

In 2021/22 Council secured funding to deliver key projects such as the Lake Hume Masterplan and High-Country Rail Trail Masterplan as well as branding and marketing projects. The year also saw the endorsement of two key strategic documents, the *Economic Development Strategy* and *Destination Management Plan*. These documents will support Council's ongoing advocacy and engagement with all levels of government.

Development of artwork, interpretive signage, and marketing elements for the Great River Road project continued. Murray Arts is assisting in the development of the artwork and the Great River Road Artwork Project Steering Group have established a contextual vision for the creation and location of each art piece.

For the second consecutive year, the Upper Murray Tourism and Business Expo was delivered, attracting a range of entrepreneurs and business people from the Upper Murray and surrounds. Supported by The Man from Snowy River Tourist Association and Upper Murray Inc, it provided an informal networking opportunity to inspire and educate small business owners. Additional support to

small businesses was also delivered through a range of marketing and social media workshops supported by Tourism North East and Start-Up-Shake-Up.

Council continued to encourage the expansions of cycle tourism opportunities across the Shire with significant work undertaken to facilitate and support notable cycling events including Ride High Country, 7 Peaks, Mitta Valley Gravel Unravel and the Upper Murray Cycling Event.

Telecommunications remained a major focus across the municipality and development of a *Telecommunications Strategy* in conjunction with Alpine Shire Council and GravelRoad commenced. The *Strategy* will support ongoing advocacy to telecommunications providers and government for increased investment in key tower locations and other telecommunications solutions.

Additional staffing resources dedicated to agriculture have helped support the building of strong and collaborative relationships with key stakeholders including Agriculture Victoria, Alpine Valley Communities Dairies, North East Catchment Management Association and Ag Biz. The development of an *Agriculture Strategic Plan* has commenced and when complete will provide a comprehensive framework on growth and diversification within the industry.

### Strategic indicators

Indicator	Target	Result 21/22	Result 22/23	Result 23/24	Target Reached
Number of businesses	Increased number of businesses*	925			Yes
Shire GRP and per industry	Increased GRP*	\$310.992 Mil			Yes
Number of visitors	Increased number of visitors*	3,527,000			No
Spend per visitor	Increased spend per visitor	\$327.00			N/A**
Diversification of agriculture sector	Increased diversification*	5.37%			N/A**

\* Based on 2020/21 data and information

\*\* First year of measurement, reach of target will be assessed for the first time in 2022/23

### Council Plan progress report

Initiatives and Priorities	Status	Comment
3.1 Connect businesses to learning, development and networking opportunities to increase capacity	Ongoing	Delivery of Business and Tourism Expo and ongoing facilitation of connections between businesses.
3.2 Run a series of business expos to support local businesses	Ongoing	Delivery of Business and Tourism Expo and support to external agencies to host their own.

Initiatives and Priorities	Status	Comment
3.3 Develop a business assistance service for new businesses including accommodation providers in the shared economy	Not Started	Future start date scheduled.
3.4 Support businesses to adapt to and recover from the impact of bushfires and the COVID-19 pandemic	Ongoing	Provided support and facilitation of small business workshops and access to grants. Direct action in facilitating the establishment of Business Chambers of Commerce in Tallangatta, Corryong and Bellbridge.
3.5 Support businesses to expand adventure tourism offerings across the shire	Ongoing	Ongoing work in collaboration with Tourism North East towards the development of the region as a gravel riding destination. Sought funding to undertake planning for Mount Elliot Adventure Park and ongoing supporting Mitta Mountain Bike Park development.
3.6 Advocate for the development and broadening of the Pine Mountain experience	Ongoing	Development of Pine Mountain Interpretive Centre as part of the Great River Road project including large scale artwork.
3.7 Advocate for the development of adventure tourism opportunities at Mount Elliot	Ongoing	Sought funding for the development of Mount Elliot as an adventure tourism product and commenced initial planning should application be successful.
3.8 Develop and implement a masterplan for cycling across the Shire	Ongoing	Mountain Bike Masterplan completed. Road and gravel riding maps and High Country Rail Trail Masterplan in final stages.
3.9 Support Mitta Valley Inc to develop the Mitta Valley mountain bike park	Ongoing	Ongoing assistance provided to Mitta Valley Inc. and the Project Steering Group in form of secretariat support including procurement and permit preparation requirements.
3.10 Seek funding to complete the High Country Rail Trail	Ongoing	Funding opportunities continue to be sought.
3.11 Establish new annual cycling events in the Mitta Valley and Upper Murray	In Progress	Extensive planning has been undertaken to establish the Mitta Valley Gravel Unravel to be delivered in December 2022.

Initiatives and Priorities	Status	Comment
3.12 Seek funding to develop key touring routes as premier touring destinations, including the Great River Road, Omeo Highway, and the Benambra Corryong Road	Ongoing	Secured funding to deliver Stage Two of the Great River Road. Provided support to Snowy Valleys Council to upgrade and promote the Snowy Valleys Way. Continued joint advocacy with East Gippsland Shire Council for the Benambra Corryong Road. Developed documentation to seek funding to develop plans for the upgrade to the Omeo Highway.
3.13 Seek funding to develop a master plan for Lake Hume as a tourism destination including houseboats and the Narrows project	Ongoing	Funding successfully secured and project steering group formed. Community and stakeholder engagement commenced with preliminary findings documented.
3.14 Seek funding to develop and expand the tourism opportunities at Dartmouth Dam	Ongoing	Funding sought to deliver a Lake Banimboola Masterplan. Further funding being sought for destination water park project.
3.15 Capitalise on Tallangatta's status as a Notable Town	Ongoing	Funding sought to develop a museum/arts precinct in Tallangatta which celebrates Tallangatta's Notable Town Status. Plans in development for a Tallangatta Heritage Walk.
3.16 Secure control of the Tallangatta Caravan Park and seek funding to implement the adopted recommendations from Tallangatta Holiday Park Planning Study	Ongoing	Ongoing discussions with Goulburn Murray Water.
3.17 Deliver improved visitor information and experience across the Shire	Ongoing	Refresh of destination branding and brochure material delivered. Ongoing collaboration with Tourism North East to deliver new destination websites.
3.18 Expand the reach of tourism marketing and promotional materials	Ongoing	Developed new brochure material to reach niche audiences and promotion of product through digital channels.
3.19 Seek to support the growth of value-add product and/or diversification opportunities for the agriculture industry	Ongoing	Promoted and facilitated a range of workshops and programs, including Carbon for Towong Shire producers (Agrifutures), Incubator Cohort, Skills network (Startup Shakeup), Entrepreneurs program, Digital solutions, Farming in a low carbon

Initiatives and Priorities	Status	Comment
		environment (AusIndustry), Young Farmer Business Bootcamps (Agriculture Victoria), and the Young Dairy farmers network (Murray Dairy).
3.20 Facilitate the creation of a centre of excellence for innovation in agriculture	Not Started	Future start date scheduled.
3.21 Seek funding to support efforts to attract and sustain new industries	Not Started	Future start date scheduled.
3.22 Explore opportunities to activate the Corryong Aerodrome	Ongoing	Installation of 24 hour fuel commenced and scheduled for completion in November 2022. Preliminary planning commenced to identify future opportunities.
3.23 Work with Upper Murray Inc to deliver outcomes from the UM2030 Plan	Ongoing	Supported improvements to Upper Murray branding, implementation of the Town Trails Project and delivery of strategic documents to fulfill agricultural aspects of the UM2030 Plan. Will continue to seek funding to deliver tourism initiatives that leverage natural surrounds e.g. Mount Elliot development, High Country Rail Trail and Trestle Trolls Project.
3.24 Attract investment to address key weaknesses (connectivity and reliability) in critical infrastructure (mobile telecommunications, internet and power)	Ongoing	Funding was sought to deliver Fibre to the Premises in Bethanga and Bellbridge. Unfortunately the submission was unsuccessful.

## 4. Land use

### Strategic objective

Ensure that Council's planning, building and environmental health services support all aspects of liveability and sustainable population growth.

### Strategies

Deliver integrated statutory services to support community wellbeing, population growth, economic development, and the protection of the environment.

Maintain a contemporary Planning Scheme.

Support all users of Council's statutory services to have an excellent customer service experience.

<p><b>Highlights</b></p>	<ul style="list-style-type: none"> <li>• Secured funding for structure plans for Corryong, Bellbridge and Mitta Mitta.</li> <li>• Successfully operated the rebuild support service for properties impacted by the Black Summer Bushfires.</li> <li>• Trialed a shared services arrangement with Indigo Shire for statutory land-use planning services.</li> <li>• Completed an update of the bushfire management overlay.</li> <li>• Completed the Planning Policy Framework project to simplify the Planning Scheme.</li> </ul>
<p><b>Challenges</b></p>	<ul style="list-style-type: none"> <li>• Availability of appropriately skilled planners in the region made staffing and service delivery challenging.</li> <li>• Limited opportunity to progress advocacy activities to support increased land supply and expansion of the rural living zone.</li> </ul>

Over \$500,000 in funding was secured to undertake much needed strategic projects around the townships of Corryong, Bellbridge and Mitta Mitta. These projects will support better township design and expand the boundaries to include additional land and support further housing development. Work also commenced on the development of the Tallangatta Structure Plan project to include additional land within the township boundary.

As a means to attract and retain qualified planners a shared service arrangement with Indigo Shire Council was trialed. Works continue to streamline processes to improve the community's experience and understanding of land use planning. We also secured funding under the State Government's Rural Councils Transformation Program to improve systems and processes. The intent is to expand the shared service between Indigo and Towong Shire Councils to incorporate Alpine Shire Council.

The rebuild support service continued to operate successfully for the second year. The service supports people who were impacted by the Black Summer Bushfires of 2019-2020 to rebuild all damaged buildings and structures. The service covers the fees of all permits associated with planning, building and septs, and provides advice on additional rebates that are available.

Significant effort has been placed on advocating for rezoning of parts of the rural activity zone to the rural living zone to support additional investment and housing. Advocacy will continue in recognition of housing supply issues across the Shire.

### Strategic indicators

Indicator	Target	Result 21/22	Result 22/23	Result 23/24	Target Reached
Customer satisfaction (post interaction)	Increased level of satisfaction*	N/A			N/A
Time taken to decide planning applications	Within Statutory Time Limits	74 Days			No
Residential building activity	Increased number of certificates of occupancy issued	41			Yes

\* Data not yet available

### Service performance indicators

Indicator	Result 2018/19	Result 2019/20	Result 2020/21	Result 2021/22	Comments
<b>STATUTORY PLANNING</b>					
<b>Timeliness</b>					
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	64.00	25.00	45.00	74.50	The median time taken to decide planning applications was affected by a number of lapsed permits for which insufficient information had been provided to complete the permit decision. A total of 127 Planning applications were decided in 2021/22 compared to 91 in 2020/21, 102 in 2019/20 and 83 in 2018/19.
<b>Service standard</b>					
<i>Planning applications decided within required time frames</i> [(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	56.63%	82.35%	75.82%	53.54%	The percentage of applications decided within required timeframes reduced in 2021/22 due to a number of lapsed permits for which insufficient information had been provided to complete the permit decision.



<b>Indicator</b>	<b>Result</b> 2018/19	<b>Result</b> 2019/20	<b>Result</b> 2020/21	<b>Result</b> 2021/22	<b>Comments</b>
<p><b>Service cost</b></p> <p><i>Cost of statutory planning service</i></p> <p>[Direct cost of the statutory planning service / Number of planning applications received]</p>	\$2,402.91	\$1,794.87	\$2,601.04	\$4,970.66	The cost of statutory planning increased in 2021/22 due to the use of planning consultants to assist with processing the large volume of rebuild applications following the 2019/20 bushfires.
<p><b>Decision making</b></p> <p><i>Council planning decisions upheld at VCAT</i></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%	100.00%	100.00%	0.00%	There were no VCAT planning decisions for 2021/22 and one during 2020/21.
<p><b>FOOD SAFETY</b></p> <p><b>Timeliness</b></p> <p><i>Time taken to action food complaints</i></p> <p>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</p>	1.00	1.00	1.00	1.00	There was 1 food complaint received in 2021/22. This compares to 1 in 2020/21; 2 in 2019/20, and 2 in 2018/19.
<p><b>Service standard</b></p> <p><i>Food safety assessments</i></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>	100.00%	100.00%	100.00%	100.00%	Food safety assessments have been undertaken for all registered premises across the reporting periods.

<b>Service cost</b>					
<b>Cost of food safety service</b>  [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$1,014.73	\$1,062.73	\$1,035.44	\$1,058.17	Towong Shire had 95 registered premises in 2021/22. This compared to 89 in 2021/21; 89 in 2019/20; and 88 in 2018/19. These premises are widely dispersed throughout the Shire (over 6,635 square kilometres).
<b>Health and safety</b>					
<b>Critical and major non-compliance outcome notifications</b>	100.00%	100.00%	100.00%	100.00%	There were eleven critical or major non-compliance outcome notifications issued in 2021/22. This compares to one in 2020/21; three in 2019/20; and seven in 2018/19. All notifications were actioned.

## Council Plan progress report

Initiatives and Priorities		Status	Comment
4.1	Support the rebuild process for fire impacted properties	Ongoing	Rebuild support services continue to operate on a reduced basis as the demand for reconstruction of dwellings and other structures, lost in the bushfires, nears completion.
4.2	Establish a Developer Contributions Policy and a Minimum Social Infrastructure Requirements Policy	Not Started	Future start date scheduled.
4.3	Develop structure plans for Corryong, Tallangatta and Bellbridge and incorporate into the planning scheme	In Progress	Panel of consultants appointed to assist in strategic and statutory planning projects. RFQ for Bellbridge and Corryong was advertised. Tallangatta Structure Plan underway.
4.4	Review the Residential Settlement Strategy	Not Started	Future start date scheduled.
4.5	Support population growth outside of key townships through appropriate amendments to the planning scheme	Ongoing	Investigation commenced to build on work completed in the C25 Amendment.
4.6	Review the Rural Land Use Study	Not Started	Future start date scheduled.
4.7	Review the Schedule to the Rural Activity Zone	Not Started	Future start date to be scheduled.

4.8	Advocate for changes to the farming zone to allow for a second residence to enable succession planning	Ongoing	Consideration for the construction of a second residence continues with further consideration and action regarding the schedule to the zone to be made. Amendment VC202 (October 2021) introduces and modifies clauses with the farming zone to permit a planning exemption for use of land for rural worker accommodation for up to 10 persons.
4.9	Seek funding to extend the Heritage Study	Not Started	Future start date scheduled.
4.10	Update planning scheme overlays including:		
4.10a	- Bushfire Management	Completed	Amendment C36 gazetted in June 2022.
4.10b	- Heritage	Not Started	Future start date scheduled.
4.11	Review statutory service processes to ensure an excellent customer experience	Ongoing	Review of internal processes and external communications has highlighted improvement opportunities.

## 5. Environmental sustainability

### Strategic objective

Integrate sustainable environmental management practices into all of our activities.

### Strategies

Embed improvements to support environmental sustainability and climate change mitigation across Council's operations.

Support the community to improve environmental sustainability and encourage actions that mitigate the effects of climate change across the Shire.

Facilitate improved waste management and recycling practices.

<b>Highlights</b>	<ul style="list-style-type: none"> <li>• Compliance and efficiency upgrades at Resource Recovery Facilities including new storage cages for cardboard recycling and chemical drums.</li> <li>• Securing \$44,000 in funding for an education and behaviour change program for kerbside recycling.</li> <li>• Registration of Corryong and Tallangatta Resource Recovery Centres with the Environmental Protection Authority as per the new Act.</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Increased volumes of leachate at the Corryong Landfill due to continued heavy rainfall.</li> <li>• Increased regulatory requirements applied to the expansion plans for the Corryong Landfill.</li> <li>• Planning for kerbside recycling transition to include separated glass and organics.</li> </ul>

A new *Environmental Protection Act 2017* came into effect on 1 July 2021 which included the General Environmental Duties (GED). The GED places increased importance on a proactive approach to environmental protection, requiring actions to prevent environmental contamination events before they occur.

As a result, Council faces increased regulatory environment requirements relating to waste management and recycling, domestic wastewater management, storage of combustible materials and underground fuel tanks. As part of these new obligations, the Resource Recovery Centres at Tallangatta and Corryong were registered with the EPA and preparatory works were undertaken to in preparation for new data collection requirements with reporting obligations due to commence in January 2023.

A successful kerbside waste and recycling service was delivered across the Shire with some increase in the number of bins collected. An audit of kerbside and public bins indicated that almost 50% of the waste bin's capacity consisted of food and other organics indicating that there would be some value

in the delivery of a community education campaign. Additionally, preparatory works were undertaken in advance of a transition to a four stream waste model – a mandate of the State Government.

Council continued to play an important role in the North East Waste and Resource Recovery Group. We participated in a collaborative procurement process for the processing of recyclable materials incorporating kerbside collection, bulk material drop off facilities and the bulk processing of recovered materials.

As an active member of the Goulburn Murray Climate Alliance we worked hard to establish a network of electric vehicle charge stations across North-East Victoria. Council's annual carbon emissions were tracked across waste, fleet, stationary fuel, electricity, and consumables such as paper and water resulting in a total carbon emission of 5,569t CO<sub>2</sub>.

Across the Shire there are significant areas of pine plantations located in state forest and on private land. Where timber harvesting operations occur in plantations and in native forests on private land, Council is responsible for ensuring the compliance of these activities, as timber production is a defined land use in the Victorian Planning Provisions and associated planning schemes.

Major harvesting operations by Hancock Victorian Plantations (HVP) were conducted in the areas surrounding Burrowye, Jingellic and in the Koetong and Callaghan's Creek Road areas. Operations delivered by D and R Henderson were also undertaken in the Tallangatta and Granya plantations.

## Strategic indicators

Indicator	Target	Result 21/22	Result 22/23	Result 23/24	Target Reached
Kerbside bin collection requests per 1,000 households	Reduced number of requests*	518			Yes
Kerbside collection bins missed per 10,000 households	Reduced number of bins missed*	Total = 36 116 records / 10,000 households			Yes
Organisational carbon emission	Reduced carbon emission**	5,569 tCO <sub>2</sub>			N/A***
Kerbside recycling separation quality (contamination)	Improved separation quality (reduced levels of contamination)	7.8%			No
Kerbside recycling separation participation rates (amount of recycling)	Increased participation rates (amount of waste recycled)*	26.4%			No
Increased use of recycled materials in infrastructure projects	Increased use of recycled materials*	780.4kg of reclaimed material (pine dust and plastic bottles).			N/A***

\* Based on 2020/21 data and information

\*\* Based on 2019/20 data

\*\*\* First year of measurement, reach of target will be assessed for the first time in 2022/23.

### Service performance indicators

Indicator	Result 2018/19	Result 2019/20	Result 2020/21	Result 2021/22	Comments
<b>WASTE COLLECTION</b>					
<b>Satisfaction</b>					
<i>Kerbside bin collection requests</i>  [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	111.48	133.13	117.47	170.06	Bin collection requests for garbage and recycling collection were much higher in 2021/22 (518) than in 2020/21 (349).
<b>Service standard</b>					
<i>Kerbside collection bins missed</i>  [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	1.72	2.42	2.53	1.52	There were 36 bins missed in 2021/22 compared 62 bins missed in 2020/21, 59 in 2019/20 and 42 in 2018/19. Council's kerbside collection service lifts approximately 240,000 individual bins each year.
<b>Service cost</b>					
<i>Cost of kerbside garbage bin collection service</i>  [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$199.15	\$212.12	\$222.77	\$261.55	Increased costs associated with alternative disposal arrangements due to the damaged Corryong landfill cell during the bushfires.
<i>Cost of kerbside recyclables collection service</i>  [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$102.74	\$101.37	\$98.33	\$128.82	There were 169 additional bin collection requests in 2021/22 compared to 2020/21 which resulted in additional service costs.

Indicator	Result 2018/19	Result 2019/20	Result 2020/21	Result 2021/22	Comments
<p><b>Waste diversion</b></p> <p><i>Kerbside collection waste diverted from landfill</i></p> <p>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	14.69%	25.75%	20.82%	29.31%	The total amount of garbage and recyclables collected in 2021/22 is low in comparison to 2020/21. Numbers reflect the diversion of waste to the Albury City Council landfill site due to the Corryong landfill cell being rendered inoperable by bushfires in 19/20 and 20/21.
<p><b>ANIMAL MANAGEMENT</b></p> <p><b>Timeliness</b></p> <p><i>Time taken to action animal management requests</i></p> <p>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</p>	3.37	3.30	1.95	2.54	Council has recently implemented a new Customer Request Management (CRM) system which has altered the approach to reporting customer enquiries. The data recorded is more accurate and reflects a higher average response time to animal management requests compared to 2020/21, but lower than 2019/20 and 2019/18.
<p><b>Service standard</b></p> <p><i>Animals reclaimed</i></p> <p>[Number of animals reclaimed / Number of animals collected] x100</p>	22.22%	28.57%	37.50%	54.55%	There were a total of eleven animals collected (6 reclaimed and 4 rehomed) in 2021/22. This compared to sixteen animals collected (6 reclaimed and 6 rehomed) in 2020/21, fourteen in 2019/20 (4 reclaimed and 8 rehomed) and nine animals collected (2 reclaimed) in 2018/19.
<p><i>Animals rehomed</i></p> <p>[Number of animals rehomed / Number of animals collected] x100</p>	New in 2020	57.14%	37.50%	36.36%	There were a total of eleven animals collected (6 reclaimed and 4 rehomed) in 2021/22. This compares to sixteen animals collected (6 reclaimed and 6 rehomed) in 2020/21, fourteen in 2019/20 (4

Indicator	Result 2018/19	Result 2019/20	Result 2020/21	Result 2021/22	Comments
					reclaimed and 8 rehomed) and nine animals collected (2 reclaimed) in 2018/19.
<b>Service cost</b>					
<b>Cost of animal management service per population</b> [Direct cost of the animal management service / Population]	New in 2020	\$15.00	\$17.39	\$17.20	The cost of animal management has remained relatively unchanged from 2020/21 to 2021/22.
<b>Health and safety</b>					
<b>Animal management prosecutions</b> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	0.00%	0.00%	0.00%	There have been no animal prosecutions in 2021/22.

## Council Plan progress report

Initiatives and Priorities	Status	Comment
5.1 Continue to investigate options for domestic waste water management in high risk towns including Eskdale, Mitta Mitta and Bethanga	Ongoing	Consultation with Mitta Mitta community and conversations with North East Water commenced. Integrated Water Management Forum funding application unsuccessful.
5.2 Advocate for reticulated potable water in Bethanga and Mitta Mitta	Ongoing	Consultation with Mitta Mitta community and conversations with North East Water commenced.
5.3 Continue to seek funding for integrated water management projects to maximise the use of recycled and raw water sources for public amenity and climate change mitigation	Ongoing	Streetscape upgrades in Corryong, Tallangatta and Mitta Mitta include design elements for water sensitive urban design.
5.4 Seek funding to explore options for the establishment of a recycling industry	In Progress	Future start date scheduled.
5.5 Improve the use of recycled materials in infrastructure projects eg crushed concrete, glass and rubber	Ongoing	New outdoor dining installed across the Shire included approximately 7500 recycled plastic milk bottles and



			405.4 kilograms of reclaimed pine dust.
5.6	Investigate and implement options for the management of roadside vegetation for fire mitigation	Not started	Additional resources appointed to provide dedicated focus on this initiative in 2022/23.
5.7	Advocate for the establishment of roadside clearances on arterial roads for emergencies	In Progress	Commenced discussions with VicRoads for use of stack sites on Murray Valley Highway.
5.8	Continue to implement noxious weed control and monitoring along roadsides within available funding	In Progress	Preparations commenced for 2022/23 roadside spray program.
5.9	Continue to implement the tree planting strategy to achieve 40% canopy coverage in urban streets by 2025	Ongoing	Trees planted at Tintaldra. Planning for additional planting underway.
5.10	Explore the diversification of options for the establishment of native vegetation offset sites	Not Started	Future start date scheduled.
5.11	Seek funding to establish a network of electric car charging stations	In Progress	Secured State Government funding for installation of an electric vehicle charge station in Corryong.
5.12	Develop a climate change action plan (including actions to reduce carbon emissions, electric vehicle charging, etc)	In Progress	Joint funding application submitted through Goulburn Murray Climate Alliance for risk mitigation assessment of Towong Shire infrastructure (bridges, roads, etc) and open spaces.
5.13	Transition waste and recycling services operations as per Victorian Government Circular Economy Strategy to deliver a four bin system for waste and recycling collection including separation of glass, green waste and organics	In Progress	Options review and Cost Benefit Analysis completed and community consultation scheduled for 2022/23.
5.14	Invest in community education programs and a waste services survey to improve waste and recycling separation	In Progress	Secured State Government funding to deliver waste and recycling education program.
5.15	Investigate options for hard waste, greenwaste and agricultural waste management e.g silage wrap	In Progress	Preparatory works commenced for waste review.
5.16	Replace the retaining wall at the Tallangatta Transfer Station	In Progress	Funding being sought via the State Government's Transfer Station Upgrade Fund.
5.17	Investigate options for the future of the Corryong Landfill	In Progress	Preparation for application has commenced.

5.18	Implement required measures to ensure management of closed landfills is compliant with EPA requirements	In Progress	Assessment of data to meet EPA's General Environmental Duty is in planning stage.
------	---	-------------	---

## 6. Organisational improvement

### Strategic objective

Maintain a high performing customer-centred organisation that works with the community to develop and deliver priorities.

### Strategies

Engage with our communities to ensure that decision making is informed by community needs.

Promote Council activities that affect the community.

Advocate and collaborate with other agencies and stakeholders to progress priorities and activities.

Consistently deliver an excellent customer experience.

Provide a great place to work that supports a high performing organisation.

Provide good governance and actively manage evolving risks.

Continually review revenue sources and cost saving opportunities to improve our financial position.

Continually review expenditure to provide best value.

<h3>Highlights</h3>	<ul style="list-style-type: none"> <li>• Adoption of the <i>Council Plan 2021-25</i> and our <i>Community Vision</i>.</li> <li>• Adoption of the majority of deliverables required by the <i>Local Government Act 2020</i>, helping to continuously improve governance, financial and community facing practices.</li> <li>• Ongoing systems modernisation in collaboration with Alpine and Indigo Shire Councils, with the successful implementation of a new rates, property, receipting and animal management system.</li> <li>• Successfully advocating to obtain nearly \$10m in Federal and State government funding to support improvements in infrastructure and services across the municipality.</li> </ul>
<h3>Challenges</h3>	<ul style="list-style-type: none"> <li>• Business continuity challenges and scarcity of skilled new recruits to fill key vacancies following the disruption caused by the summer 2019/20 bushfires and the COVID-19 pandemic.</li> </ul>

2021/22 was a year of renewed direction as the adoption of the *Council Plan 2021-2025* and *Community Vision* provided the foundation for the ongoing development of infrastructure and services across the Shire.

The COVID-19 pandemic and the associated environment continued to pose substantial challenges, making it difficult to fill staff vacancies, find skilled contractors and source materials. Teams continually prioritised work to focus on the most critical deliverables. Despite these challenges the year also featured a number of notable achievements, including securing nearly \$10 million in State and Federal funding to progress infrastructure and service priorities. A comprehensive Workforce Survey was conducted to identify cultural themes and improvement opportunities and teams have worked collaboratively across the year to improve communication after many months of remote working and to develop training to support new staff.

Pleasingly the majority of deliverables due under the *Local Government Act 2020* were completed with deliverables in 2021/22 including the adoption of the *Financial Plan 2021-2031*, *Workforce Plan 2021-2025*, a *Chief Executive Officer Employment and Remuneration Policy*, *Recruitment Policy*, *Recruitment Policy* and a revised *Procurement Policy* and *Employee Code of Conduct*. The *Asset Plan 2021-2031* is the final outstanding deliverable which is anticipated to be adopted in 2022/23. Other major plans delivered included the *Domestic Animal Management Plan* and *Gender Equality Action Plan*. Collectively the various plans, policies and structures put in place during the year provide a strong foundation to ensure that we are delivering on our mandate to provide good governance in the municipal district for the benefit and wellbeing of the municipal community.

Work continued to continually improve systems and processes to support excellent service delivery. Following over twelve months of detailed preparatory work, a new Council website was launched with substantial improvements to site navigation, search, design and content. Ongoing enhancements to the new customer relationship management system were implemented across Towong and Alpine Shire Councils to make it easier for staff to handle customer enquiries. A new property, rates, receipting and animal management system was implemented across Towong and Indigo Shire Councils, having already been implemented at Alpine Shire Council in 2020/21. The ongoing benefit of joint implementations has been evident, ranging from initial procurement benefits, to project delivery savings, sharing of joint learnings across councils, and joint advocacy to vendors for system improvements.

Despite recruitment challenges, the Communications and Engagement team worked hard to improve the awareness and engagement of our communities in relation to matters that affect them. The team worked collaboratively with project managers across the organisation to develop robust and adaptable communications and engagement plans for every key project across Council's very substantial capital works program, strategic development agenda and bushfire recovery program. May was a particularly notable month with over 100 individual pieces of proactive collateral published, and social media reach and engagement more than doubled during the year.

Customer service was also a major focus and an independent review of the top customer facing issues was undertaken to determine process improvement opportunities across the organisation. The review was conducted in collaboration with customer facing staff across the organisation and a project officer was seconded from Indigo Shire Council to implement and embed the process recommendations.

## Strategic indicators

Indicator	Target	Result 21/22	Result 22/23	Result 23/24	Target Reached
Community satisfaction with community consultation and engagement	Increased level of satisfaction	54			No
Community satisfaction with Council decisions	Increased level of satisfaction	54			No
Community satisfaction with customer service	Increased level of satisfaction	58			No
Percentage of customer requests resolved within target service levels	Increased percentage	55.58%			N/A*
Number of business improvements	Five (5) improvements per annum	11			Yes
Percentage of staff who agree that Council is a great place to work	Increased percentage	45%			N/A*

\* First year of measurement, reach of target will be assessed for the first time in 2022/23

## Service performance indicators

Indicator	Result 2018/19	Result 2019/20	Result 2020/21	Result 2021/22	Comments
<b>Governance</b>  <b>Transparency</b>  <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a	1.19%	0.92%	0.48%	2.37%	Council is committed to public decision-making at open Council meetings in the interest of open and transparent governance. Meetings are only closed to the public in accordance with s66 of the Local Government Act 2020. There were six resolutions made at meetings closed to the public in 2021/22 compared to

<b>Indicator</b>	<b>Result</b> 2018/19	<b>Result</b> 2019/20	<b>Result</b> 2020/21	<b>Result</b> 2021/22	<b>Comments</b>
delegated committee consisting only of Councillors] x100					one in 2020/21; two in 2019/20; and three in 2018/19.
<b>Consultation and engagement</b>  <i>Satisfaction with community consultation and engagement</i>  [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	58.00	60.00	60.00	54.00	Council's performance is in line with the average for Small Rural Councils as well as the overall Statewide Council average for Victoria.
<b>Attendance</b>  <i>Councillor attendance at council meetings</i>  [The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100	90.59%	90.67%	92.86%	97.65%	The result recognises Councillor attendance at Council meetings. Formal granting of leave of absence is obtained when a Councillor is unable to attend.
<b>Service cost</b>  <i>Cost of elected representation</i>	\$37,601.04	\$40,947.60	\$35,454.78	\$39,043.23	Local Government elected officials received an allowance increase effective 18 December 2021 as per the Victorian Tribunal Determination 01/2022. The Determination provides for further scheduled annual increases to allowance values until 18 December 2025. The next increase will take effect on 18 December 2022.
<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]	58.00	63.00	60.00	54.00	Council's performance is in line with the average for Small Rural Councils as well as the overall Statewide Council average for Victoria.

## Council Plan progress report

Initiatives and Priorities	Status	Comment
6.1 Continue to improve awareness, engagement and involvement of the community in relation to matters that affect them	Ongoing	Key staff undertook Community Engagement training and substantial community engagement was undertaken in relation to the major plans and projects affecting the community. A new Council website was launched to improve site navigation, search, design and content. Facebook page reach increased from approximately 4,000 to over 10,000 monthly views between Nov 21 and June 22.
6.2 Continually improve customer service experience across the organisation	Ongoing	Achievements in 21/22 included the introduction of a Customer Service Officer knowledge base, a review of customer service enquiry types and resolution times, and enhancements to the Customer Relationship Management system to make it easier for staff to handle enquiries. Focus was placed on reducing the time to resolve customer enquiries and improving responsiveness to customer phone calls.
6.3 Continually improve processes to support improved service delivery	Ongoing	Several key internal processes were reviewed to mitigate risk, improve staff clarity and improve overall service delivery including the procurement process, recruitment process, staff exit process and the communications and engagement reporting process.
6.4 Deliver improved business technology - finance, rates, human resources	Ongoing	A new rates, property, receipting and animal management system was successfully implemented across Towong and Indigo Shire Councils.
6.5 Update the technology strategy to support the ongoing delivery excellent customer service	Not Started	Future start date scheduled.
6.6 Develop and implement a People Plan to support the ongoing development of a high performing, adaptable,	In Progress	A comprehensive Workforce Survey was conducted to form the basis of our People Plan, and a number of actions were implemented to address

	resilient, engaged and cohesive organisation		the findings, including improving staff communication, launching training on processes and systems and reviewing Council's Values.
6.7	Provide a safe and healthy workplace for all Councillors and staff in a continually evolving environment	Ongoing	An independent audit of the OHS Management System was undertaken and implementation of the findings is ongoing. Substantial focus was placed on ensuring that staff remained safe and well informed throughout the COVID-19 pandemic. Mental Health First Aid training was provided to staff and Emergency Evacuation Diagrams were updated.
6.8	Continue to seek opportunities to improve service delivery and achieve best value including further investigation of shared services	Ongoing	Alpine, Indigo and Towong Shire Councils were successful in achieving funding under the Rural Councils Transformation Program to review planning and building systems and processes, with a view to expanding the current shared service between Towong and Indigo.
6.9	Continue to advocate for increased government funding support to ensure long term sustainability	Ongoing	Almost \$10 million in additional funding was announced in 2021/22 following ongoing advocacy efforts.
6.10	Investigate alternative revenue streams	Ongoing	Projects to install a weighbridge at the Corryong Saleyards and 24 hour fuel at the Corryong Airport made good progress and revenue streams are expected to commence during 2023.
6.11	Review the Revenue and Rating strategy	Not Started	Future start date scheduled.
6.12	Consider options for the realisation of surplus Council assets	Not Started	Future start date scheduled.
6.13	Continually improve the risk management and governance frameworks and practices	Ongoing	A review of all operational risk registers was completed by relevant officers across the organisation. The Audit and Risk Committee Charter was substantially updated and reviews of the Strategic Risk Register and Risk Management Action Plan commenced.

---

6.14	Provide ongoing support and development of Councillors in fulfilling their roles	Ongoing	Councillor briefing sessions were held at least twice monthly to support their ability to make informed decisions. A CEO Employment and Remuneration Policy and Committee was introduced to support the Councillors in managing the employment of the Chief Executive Officer.
------	--	---------	--

---



## Governance and management arrangements

### Governance

Towong Shire Council was established by an Order of the Governor in Council on 24 October 1996 and is a Body Corporate. Council's main office is located at 32 Towong Street, Tallangatta.

In accordance with Section 8 (1) of *Local Government Act 2020*, the role of Council:

*is to provide good governance in the municipal district for the benefit and wellbeing of the municipal community.*

In accordance with Section 9 of the *Local Government Act 2020*:

- (1) *A Council must in performance of its role give effect to the overarching governance principles.*
- (2) *The following are the overarching governance principles:*
  - (a) *Council decisions are to be made and actions taken in accordance with the relevant law;*
  - (b) *Priority is to be given to achieving the best outcomes for the municipal community, including future generations;*
  - (c) *the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;*
  - (d) *the municipal community is to be engaged in strategic planning and strategic decision making; (e) innovation and continuous improvement is to be pursued;*
  - (e) *collaboration with other Councils and Governments and statutory bodies is to be sought;*
  - (f) *the ongoing financial viability of the Council is to be ensured;*
  - (g) *regional, state and national plans and policies are to be taken into account in strategic planning and decision making;*
  - (h) *the transparency of Council decisions, actions and information is to be ensured.*

Council recognises that effective governance is the key to ensuring that Council meets the community's priorities. Many formal decisions are made at Council Meetings, and some of Council's powers have been delegated to Council staff and are exercised in accordance with Council policies. The community has the opportunity to be involved in Council's decision-making processes through specific community engagement processes in line with our Community Engagement Policy, and 'Public Question Time' held in conjunction with Council's monthly meeting.

### Council meetings

Council's ordinary meetings are held monthly, except for January when there may be no meeting if there is no business that needs to be addressed. These meetings are conducted in accordance with Council's *Governance Rules*.

For the 2021/22 year Council held the following meetings:

- Twelve (12) ordinary council meetings
- Five (5) special council meetings.

### Committees

In 2020/21 Council had one Community Asset Committee, the Riverview Walwa Community Asset Committee, to provide and manage self-contained accommodation at Riverview Units, Walwa.

## Councillor Code of Conduct

The Councillor Code of Conduct outlines the standards of conduct expected to be observed by Councillors in the course of performing their duties and functions as Councillors. The Council last adopted its Code of Conduct on 24 February 2021.

In accordance with the requirements of the *Local Government Act 2020*, the Councillor Code of Conduct is designed to:

- Provide for good governance and decision making across the municipality;
- Establish agreed high standards of behaviour and conduct;
- Create a common understanding of the different roles of Councillors and the administration;
- Clarify dispute resolution procedures; and
- Outline the treatment of breaches.

It provides a framework for robust debate in which legitimate differences in opinions, beliefs and values can be discussed constructively.

## Councillor allowances

At 1 July 2021, Mayor and Councillor allowances were set in accordance with the relevant provisions of the *Local Government Act 1989*. Councils were able to set their allowances within the ranges determined by the Minister for Local Government. Ranges were set depending on the category of the council, as determined by the income and population of each council. Towong Shire Council allowances were set lower than the maximum allowable for a Category 1 Council, with an amount equivalent to the superannuation guarantee payable in addition to their allowance (10% in 2021/22).

In accordance with the new *Local Government Act 2020* the responsibility for determining allowances transitioned to the Victorian Independent Remuneration Tribunal during the course of 2021/22. The Tribunal made their first Determination on 7 March 2022 with the new allowance levels effective 18 December 2021. The Determination sets a single allowance for each role and council category inclusive of a superannuation guarantee payment. Councils are required to pay the set allowance amounts with no ability to vary this at a council level. However individual Councillors may elect to receive the entire allowance, a specified part, or none of the allowance. The Tribunal also introduced a new allowance level for Deputy Mayors so that there are now separate allowance levels for Mayors, Deputy Mayors and Councillors.

Allowances applicable to Towong Shire Council as a 'Category 1' Council were as follows:

Role	1 July 2021 – 18 December 2021*	18 December 2021 – 30 June 2022
Mayor	\$69,017	\$74,706
Deputy Mayor	\$23,154	\$37,353
Councillor	\$23,154	\$24,080

\*Inclusive of superannuation guarantee equivalent

As at 1 July 2021, Councillors could also claim a remote travel allowance of \$40 per day to attend meetings held more than 50km from their place of residence. The Victorian Independent Remuneration Tribunal increased this amount to \$44 per day.

All allowances were paid pro-rata for the part of the year where the allowance applied.

## Councillor expenses

The Councillor Support and Expenses Policy establishes the resources, facilities and administrative support provided to Councillors. It provides for Councillors to have out-of-pocket expenses, incurred while performing their official duties as a Councillor or member of a delegated committee, either reimbursed or paid directly by the Council. The table below presents the expenses incurred by Council in 2021/22 on behalf of each Councillor.

Councillor	Conferences and Training	ICT*	Travel <sup>^</sup>	Childcare	Functions and Events	Other	TOTAL
Cr Aaron Scales	\$0	\$0	\$264	\$0	\$0	\$0	<b>\$264</b>
Cr Andrew Whitehead	\$0	\$394	\$527	\$0	\$0	\$0	<b>\$921</b>
Cr David Wortmann	\$0	\$1,191	\$2,424	\$0	\$0	\$43	<b>\$3,658</b>
Cr Denise Anderson	\$500	\$230	\$2,706	\$0	\$0	\$0	<b>\$3,436</b>
Cr Pete Dikschei	\$550	\$832	\$1,271	\$0	\$50	\$0	<b>\$2,703</b>
<b>TOTAL</b>	<b>\$1,050</b>	<b>\$2,647</b>	<b>\$7,192</b>	<b>\$0</b>	<b>\$50</b>	<b>\$43</b>	<b>\$10,982</b>

\*Information and Communication Technology.

<sup>^</sup>Inclusive of mileage and accommodation.

## Audit and Risk Committee

The Audit Committee was established by resolution of Council on 19 January 1998 as an independent advisory committee to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

It was re-established as the Audit and Risk Committee in accordance with the requirements of the *Local Government Act 2020* at the Council Meeting on 1 September 2020.

During 2021/22 the Audit and Risk Committee met quarterly to discuss Council's Budget, finance reports, Council priorities, external and internal audits, OHS, performance reporting, finance systems, legal and compliance actions, risk management and policy development.

During 2021/22, the Audit and Risk Committee considered:

### *Committee Governance*

- Audit and Risk Committee Work Plan
- Audit and Risk Committee Chair and Membership
- Audit and Risk Committee Self-Assessment
- Audit and Risk Committee Charter

### *Financial management and performance reporting*

- Annual financial and performance statements
- Interim and annual external audits
- Budget development
- Quarterly financial reporting
- Long term financial plan

*Risk management*

- Strategic Risk Register
- Significant operational changes
- Risk management framework and appetite
- Risk Management Action Plan
- Business Continuity Plan
- Emergency management planning and response
- Fraud controls
- Occupational health and safety
- Bushfire and COVID-19 response
- Insurances
- Human resources

*Internal Audit*

- Internal audit plan
- Records management audit
- OHS management system audit
- Local government investigations

*Compliance*

- Local Government Act 2020 implementation
- Gender Equality Act 2020 implementation
- Other legislative and regulatory reforms
- Council Plan development
- Councillor expense reimbursements
- CEO credit card expenditure
- Gifts register
- Procurement exemptions
- Policy reviews.

## **Audit and Risk Committee Members**

In 2021/22 the Audit Committee was comprised of the Mayor and four independent external members until October 2021, at which time the term of Mr Rob Lees expired. While the minimum number of external members was still satisfied it was agreed to replace Mr Lees and a new member will commence in 2022/23. The external members were as follows:

---

**Mr Robert Lees (Chair until 27 October 2021)**

Mr Lees was first appointed to the Audit Committee in March 2015 and his appointment was extended in July 2019, with his term expiring on 31 October 2021. He has had a varied local and international career in commercial development, commodity trading, procurement and operations management. Mr Lees has significant experience in corporate governance, procurement, strategic planning, lean manufacturing, and general management. He has positions on the boards of Hume Employment Services Limited, Belmere Pty Ltd and Tallangatta Health Service and is also a member of the Rotary Club of Bellbridge Lake Hume. Mr Lees has lived in the Shire for most of his life and currently lives in Bellbridge.

---

**Mrs Kira Bryant**

Mrs Bryant was first appointed to the Audit and Risk Committee in 2019. She grew up in the local area attending Tallangatta Secondary College. From there, Mrs Bryant completed a Bachelor of Rural Business with the University of Melbourne. After living in Ararat, in Western Victoria for a short time, she returned to the North East with her young family. Over the last 12 years Mrs Bryant has gained extensive experience in banking, finance, and agriculture. During this time, she also completed a Diploma of Financial Planning. Mrs Bryant is currently working as an Agribusiness Credit Assessment Manager at Rural Bank.

---

**Mr Spencer Rich (Chair from 27 October 2021)**

Mr Rich was appointed to the Audit Committee in July 2019. He has over 20 years of experience in occupational health and safety management, risk management and corporate governance, including nearly 10 years with Wodonga Council in roles spanning these fields. Mr Rich holds a Diploma of Occupational Health and Safety and an Advanced Diploma of Governance, Risk and Compliance. Spencer is currently an Inspector with SafeWork NSW.

---

**Ms Jessica Campbell**

Ms Campbell was appointed to the Audit and Risk Committee in September 2019. She has had an extensive local legal career and continues to practice in the area of personal injury law. She has had positions on local sporting groups, agricultural discussion groups and school boards. Ms Campbell has lived in the Shire for most of her life and currently lives in the local area. Her children also attend a local school and kindergarten. She is currently a Solicitor at Harris Lieberman Solicitors.

---

**External audit**

Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2021/22 financial year the annual external audit of Council's financial statements and performance statement was conducted by VAGO's representative, Crowe Australasia. The external auditors engage with Council's Audit and Risk Committee to present their independent audit report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

**Risk management**

Council is committed to taking a best practice approach to managing risk. We recognise that risks are inherent in all our functions and understand that all systems and processes exhibit variability, impacting on predictability and performance.

Managing risk is not about finger pointing when things go wrong, rather it is a conscious decision to improve Council's systems and processes. The objectives of our risk management policy are to:

- Ensure we appropriately deal with risk;
- Safeguard our assets: people, financial, information and property;
- Create an environment where all our employees will assume responsibility for managing risk;
- Preserve our ability to deliver policy and performance objectives in a timely, efficient and effective manner; and
- Implement transparent and responsible risk management processes, which align with accepted best practice.

## Governance and management checklist


Governance and management items	Assessment	Result
<b>1 Community engagement policy</b> Policy required by section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest	Adopted 24 February 2021	Yes
<b>2 Community engagement guidelines</b> Guidelines to assist staff to determine when and how to engage with the community	Adopted 24 February 2021	Yes
<b>3 Financial Plan</b> Plan required by section 91 of the Act describing the resources required to give effect to the Council Plan	Adopted 27 October 2021	Yes
<b>4 Asset Plan</b> Plan required by section 92 of the Act describing information about each class of infrastructure under the control of Council	Updated Plan targeted for adoption in 2022/23 based on prior plans adopted in 2016	No
<b>5 Revenue and Rating Plan</b> Plan required by section 93 of the Act describing Council's funding sources	Adopted 23 June 2021	Yes
<b>6 Annual Budget</b> Required by section 94 of the Act including the financial statements, services and initiatives to be funded, and how much is to be raised by rates and charges	Adopted 22 June 2022	Yes
<b>7 Risk policy</b> Policy outlining Council's commitment and approach to minimising the risks to Council's operations	Current policy in operation 27 April 2022	Yes

<p><b>8 Fraud policy</b> Policy outlining Council's commitment and approach to minimising the risk of fraud</p>	<p>Current policy in operation 9 December 2020</p>	<p>Yes</p>
<p><b>9 Municipal emergency management plan</b> Plan under section 60ADB of the <i>Emergency Management Act 2013</i> for emergency mitigation, response and recovery</p>	<p>Prepared and maintained in accordance with section 60ADB of the <i>Emergency Management Act 2013</i> 3 December 2019</p>	<p>Yes</p>
<p><b>10 Procurement policy</b> Policy under section 108A of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services</p>	<p>Adopted 22 June 2022</p>	<p>Yes</p>
<p><b>11 Business continuity plan</b> Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster</p>	<p>Current plan in operation 30 July 2018</p>	<p>Yes</p>
<p><b>12 Disaster recovery plan</b> 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 30 July 2018</p>	<p>Yes</p>
<p><b>13 Risk management framework</b> Framework outlining Council's approach to managing risks to the Council's operations</p>	<p>Current framework in operation 23 February 2022</p>	<p>Yes</p>
<p><b>14 Audit and Risk Committee</b> Advisory committee required by section 53 of the Act to monitor compliance with the Act, to monitor financial and performance reporting, to advise on risk management and fraud controls, and to oversee audit functions</p>	<p>Established 1 September 2020</p>	<p>Yes</p>
<p><b>15 Internal audit</b> 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 auditors engaged to perform OHS audit and records management audit. Note that Council does not have a single internal auditor, rather relevant technical experts are conducted to conduct audits of high-risk exposures on a case by case basis, to ensure that Council utilises the best expertise relevant to the audit in question.</p>	<p>Yes</p>

<p><b>16 Performance reporting framework</b> A set of prescribed indicators required by section 98 of the Act measuring financial and non-financial performance</p>	<p>Current framework in operation 1 July 2020</p>	<p>Yes</p>
<p><b>17 Council Plan reporting</b> Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators</p>	<p>Current report 23 February 2022</p>	<p>Yes</p>
<p><b>18 Financial reporting</b> Quarterly report required by section 97 of the Act comparing actual and budgeted results to date with an explanation of variances</p>	<p>Conducted quarterly</p>	<p>Yes</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>Reported bi-monthly</p>	<p>Yes</p>
<p><b>20 Performance reporting</b> Six-monthly reports of indicators measuring the results against financial and non-financial performance</p>	<p>Reported quarterly</p>	<p>Yes</p>
<p><b>21 Annual report</b> Annual report required by section 98 of the Act containing a report of operations of the Council, and audited performance and financial statements</p>	<p>Presented at a meeting of Council 15 December 2021</p>	<p>Yes</p>
<p><b>22 Councillor Code of Conduct</b> Code required by section 139 of the Act including the standards of conduct expected to be observed by Councillors</p>	<p>Reviewed and adopted in accordance with the requirements of the <i>Local Government Act 2020</i> 24 February 2021</p>	<p>Yes</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 24 March 2021</p>	<p>Yes</p>
<p><b>24 Meeting procedures</b> Governance Rules required by section 60 of the Act outlining the conduct of Council meetings</p>	<p>Adopted 1 September 2020</p>	<p>Yes</p>



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



Juliana Phelps  
Chief Executive Officer  
Date: 26/04/2023



Cr Andrew Whitehead  
Mayor  
Date: 26/04/2023

## Statutory information

### Documents available for public inspection

The opportunity to access information about Council operations is a vital part of open and accountable government. Council's Public Transparency Policy outlines the documents that are available for public inspection in accordance with section 57 of the *Local Government Act 2020*.

### Best value

Council seeks to achieve best value for its communities across all of its activities, by taking a proactive and systematic approach to keeping costs as low as possible while striving to deliver services to the standard expected by the community.

Council has been recognised as a leader in procurement and process efficiency in the local government sector. Council is also recognised for its innovative shared services arrangements which have resulted in improved service delivery and reduced costs through collaboration with neighbouring councils. Shared services have been established for the following services:

- Planning services
- Building control
- Environmental health
- Rates and property
- Immunisations

Other best value initiatives include the implementation of a shared digital platform with Alpine Shire Council and Indigo Shire Council. The program aims to provide a frictionless customer experience and drive internal efficiencies across all three Councils. The collaborative approach has aided in driving best value in procurement and implementation of the program, and continues to provide a strong foundation for further collaborative initiatives between the Councils.

### Carers recognition

In accordance with the *Carers Recognition Act 2012* Council is required to report annually on its care management obligations under Section 11 of that Act. Council has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012. Council has promoted the principles of the Act to people in care relationships who receive council services, to people in care relationships, and to the wider community by:

- distributing printed material through relevant council services
- providing information to organisations represented in Council/community networks.

Council has taken all practicable measures to ensure staff, council agents and volunteers working for Council are informed about the principles and obligations of the Act.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship.

## Contracts

### 1 July – 15 December 2021

Prior to the adoption of the Procurement Policy in accordance with the requirements of the *Local Government Act 2020* on 15 December 2021, Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process. However, it is noted that a relationship with a supplier was entered into resulting in cumulative expenditures in excess of \$150,000 over a period time crossing 2020/21 and 2021/22, that should have been treated as a single procurement exercise. Controls have been reviewed and staff training has been conducted to mitigate the risk of such breaches in the future.

### 15 December 2021 – 30 June 2022

Following the adoption of the Procurement Policy in accordance with the requirements of the *Local Government Act 2020* on 15 December 2021, Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process.

## Disability Action Plan

In accordance with Section 38 of the *Disability Act 2006*, Council has prepared a *Disability Action Plan* (known as the *Towong Shire Access and Inclusion Plan*). During the year a number of improvements were made to improve swimming pool accessibility, and to assist Corryong Health to undertake a review of their disability services.

## Domestic Animal Management Plan

Council adopted its *Domestic Animal Management Plan 2021-2025* in November 2021. Its development was guided by the following principles:

- The belief that pets contribute to quality of life
- A requirement to balance the needs of those who own pets and those who do not
- Valuing responsible pet ownership
- Proactive animal management and education within the community
- Protection of the environment from any negative impacts of dogs and cats
- Working in partnership with others to achieve positive outcomes for the community
- Local Government plays a leadership role in animal management.

Council's *Domestic Animal Management Plan 2021-2025* includes an Action Plan to assist Council to achieve the Plan's objectives over a four-year period. During the year many of the ongoing actions in the Plan were completed including:

- Officer training in relation to relevant topics
- Animal registration reminders and follow-ups
- Issuance of barking dog information packs to assist in resolution of complaints
- Investigation of and response to dog attacks
- Declaration of menacing and dangerous dogs as appropriate.

## **Food Act Ministerial Directions**

In accordance with section 7E of the *Food Act 1984*, Council is required to publish 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 financial year.

## **Freedom of Information (Fol)**

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

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

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

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying, search and retrieval charges). Further information regarding Fol can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au) or on Council's website.

## **Public Interest Disclosures Procedures**

In accordance with Section 69 of the *Public Interest Disclosures Act 2012*, Council must include in their Annual Report information about how to access the procedures established by the Council. It is also required to provide certain information about the number and types of public interest disclosures complaints investigated during the financial year.

The purpose of the *Public Interest Disclosures Act 2012* is to encourage and facilitate the making of disclosures in relation to the improper conduct of Council and its employees and to provide protection for persons making disclosures against detrimental action. Procedures on how to make a disclosure are publicly available on Council's website.

During the 2021/22 year no disclosures were notified to Council officers appointed to receive disclosures or to the Independent Broad-based Anti-corruption Commission (IBAC).

## **Road Management Act Ministerial Direction**

In accordance with Section 22 of the *Road Management Act 2004* Council must publish a copy or summary of any ministerial direction in its Annual Report. No such ministerial directions were received by Council during the financial year.

# Performance Statement

## Description of municipality

Towong Shire is located in far north-eastern Victoria and possesses some of Australia's most pristine environment. Wilderness areas, lakes, rivers and streams create diverse landscapes that are enjoyed by around 6,000 residents and many more visitors across an area of 6,600 square kilometres.

The economy of the region revolves around a rich agricultural sector, tourism and timber production and processing. Approximately two-thirds of businesses located in the Shire are in the agriculture and forestry industries.

Like many rural areas, Towong Shire's small population and vast geographic area presents Council with a significant challenge to adequately fund the maintenance and renewal of community assets. Council is taking actions to address this situation through strategies that promote economic and population growth as well as by implementing innovative methods to reduce costs wherever it can. Council is confident that this approach delivers best value to the community and will secure a long-term future for the organisation.

## Operational summary

A number of varying circumstances has influenced the year's performance results. Towong Shire was significantly impacted by the 2019/20 bushfires in the Upper Murray from late December 2019 into January 2020 with Council continuing relief and recovery efforts in 2021/22.

This has been compounded by the Coronavirus pandemic (COVID-19) which has affected the utilisation of Council services, as well as the availability and cost of materials, contractors and staff. A number of results in this report were affected by the COVID-19 pandemic in some way, often as the result of some operations being closed and scheduled community events being cancelled. However, nearly all actions and services were able to continue through a shift to remote delivery.

<b>PERFORMANCE STATEMENT</b>					
<b>Sustainable Capacity Indicators - for the year ended 30 June 2022</b>					
<i>Indicator/measure</i>	<b>Results 2018/19</b>	<b>Results 2019/20</b>	<b>Results 2020/21</b>	<b>Results 2021/22</b>	<b>Material Variations</b>
<b>Population</b> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,450.12	\$3,975.33	\$4,046.71	\$3,543.06	Total expenses were \$21.517 million in 2021/22 compared to: <ul style="list-style-type: none"> <li>- \$24.693 million in 2020/21.</li> <li>- \$24.007 million in 2019/20;</li> <li>and</li> <li>- \$14.833 million in 2018/19.</li> </ul> Expenses were considerably higher in 2019/20, 2020/21 and 2021/22 than in 2018/19 due to the costs incurred in appointing contractors and staff to support bushfire recovery efforts, and the cost of garbage disposal due to the bushfire-damaged Corryong landfill being inoperable.

<p><i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]</p>	\$30,768.09	\$31,036.42	\$30,924.94	\$36,556.23	<p>The variability over time of the results for this indicator depend on the levels of capital works carried out each year in renewing or upgrading Council assets, as well as the level of depreciation and impacts of asset revaluations.</p>
<p><i>Population density per length of road</i> [Municipal population / Kilometres of local roads]</p>	5.12	5.11	5.16	5.13	<p>Changes in the result of this indicator are due to fluctuations in population.</p>

<b>PERFORMANCE STATEMENT</b>					
<b>Sustainable Capacity Indicators - for the year ended 30 June 2022</b>					
<i>Indicator/measure</i>	<b>Results 2018/19</b>	<b>Results 2019/20</b>	<b>Results 2020/21</b>	<b>Results 2021/22</b>	<b>Material Variations</b>
					The length of road has not changed over the reporting period.
<b>Own-source revenue</b> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,904.53	\$1,989.40	\$2,458.70	\$2,071.96	This indicator exceeded historical averages in 2020/21 due to the receipt of substantial disaster recovery funding in relation to the 2019/20 bushfires. Disaster recovery funding was also received in 2021/22 however less than in 2020/21.
<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$944.17	\$1,139.07	\$1,211.90	\$1,375.10	75% of the 2022/23 Financial Assistance Grants were received early in 2021/22 resulting in an increase in this result compared to prior years.
<b>Disadvantage</b> <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	5	5	5	5	



<p><b>Workforce turnover</b></p> <p><i>Percentage of staff turnover</i>          [Number of permanent staff resignations and terminations /          Average number of permanent staff for the financial year] x100</p>	14.1%	15.4%	24.4%	25.9%	<p>Staff turnover increased in 2020/21 and 2021/22 due to the impacts of the 2019/20 bushfires and the COVID-19 pandemic.</p>
---	-------	-------	-------	-------	---

<b>PERFORMANCE STATEMENT</b>					
<b>Sustainable Capacity Indicators - for the year ended 30 June 2022</b>					
<i>Indicator/measure</i>	<b>Results 2018/19</b>	<b>Results 2019/20</b>	<b>Results 2020/21</b>	<b>Results 2021/22</b>	<b>Material Variations</b>

**Sustainable Capacity Indicator definitions**

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council.

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

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.0001) of SEIFA.

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

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

<b>PERFORMANCE STATEMENT</b>					
<b>Service Performance Indicators – for the year ended 30 June 2022</b>					
<b>Service/indicator/measure</b>	<b>Results 2018/19</b>	<b>Results 2019/20</b>	<b>Results 2020/21</b>	<b>Results 2021/22</b>	<b>Material Variations</b>
<b>Aquatic Facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.96	1.92	0.89	1.12	Council operates two outdoor seasonal swimming pools. There were 6,783 visits recorded in 2021/22 compared to 5,455 in 2020/21; 10,732 in 2019/20 and 11,607 in 2018/19.  Visitation rates were impacted by COVID-19 and the effects of lockdowns.
<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions]	New in 2020	0%	0%	0%	There have been no animal prosecutions in 2021/22.

<b>Food Safety</b>					
<b>Health and safety</b>					
<i>Critical and major non-compliance outcome notifications</i>	100.00%	100.00%	100.00%	100.00%	

<b>PERFORMANCE STATEMENT</b>					
<b>Service Performance Indicators – for the year ended 30 June 2022</b>					
<b>Service/indicator/measure</b>	<b>Results 2018/19</b>	<b>Results 2019/20</b>	<b>Results 2020/21</b>	<b>Results 2021/22</b>	<b>Material Variations</b>
[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					There were eleven critical or major non-compliance outcome notifications issued in 2021/22. This compares to one in 2020/21; three in 2019/20; and seven in 2018/19. All notifications were actioned.
<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]	58	63	60	54	Council's performance is in line with the average for Small Rural Councils as well as the overall Statewide Council average for Victoria.

<p><b>Libraries</b></p> <p><b>Participation</b></p> <p><i>Active library borrowers in the municipality</i></p> <p>[Sum of the number of active library borrowers in the last three years / the sum of the municipal population for the last three years] x100</p>	10.56%	10.82%	9.16%	8.05%	<p>Council operates two static libraries in its main centres of Corryong and Tallangatta. These libraries service our small, dispersed population which is spread over 6,635 square kilometres. Many residents reside outside the two main centres where the static libraries are located and may access other library</p>
---	--------	--------	-------	-------	--

<b>PERFORMANCE STATEMENT</b>					
<b>Service Performance Indicators – for the year ended 30 June 2022</b>					
<i>Service/indicator/measure</i>	<b>Results 2018/19</b>	<b>Results 2019/20</b>	<b>Results 2020/21</b>	<b>Results 2021/22</b>	<b>Material Variations</b>
					services in neighbouring municipalities. Library participation declined due to the impact of COVID-19 and associated restrictions.
<b>Maternal and Child Health (MCH)</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	81.31%	80.30%	85.50%	75.83%	There was an increase in both the number of children (273) attending the MCH service at least once as well as the total number of children (360) enrolled in 2021/22, though the proportion of children attending decreased for the year in comparison to previous years.  There were 174 children who attended the MCH service at least once in 2020/21 compared to 163 in 2019/20 and 181 in



					2018/19.
<p><b>Participation</b></p> <p><i>Participation in the MCH service by Aboriginal children</i></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>	66.67%	100.00%	100.00%	84.62%	There were 11 children who identify as having an Aboriginal or Torres Strait Islander background who participated in MCH services out of a total of 13 children who registered with the service.

<b>PERFORMANCE STATEMENT</b>					
<b>Service Performance Indicators – for the year ended 30 June 2022</b>					
<b>Service/indicator/measure</b>	<b>Results 2018/19</b>	<b>Results 2019/20</b>	<b>Results 2020/21</b>	<b>Results 2021/22</b>	<b>Material Variations</b>
					This is double the number of children who registered and participated (6.5) in 2020/21 and compares favourably to 3 in both 2019/20 and 2018/19.
<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]	58	63	57	50	Council's performance in 2021/22 was in-line with the Small Rural Council average for the year of 50. Councils' performance was slightly below the state average for 2021/22 of 53.
<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%	100.00%	100.00%	0.00%	There were no VCAT planning decisions for 2021/22 and one during 2020/21.

<b>Waste Collection</b>					
<b>Waste diversion</b>					
<i>Kerbside collection waste diverted from landfill</i>	14.69%	25.75%	20.82%	48.62%	

<b>PERFORMANCE STATEMENT</b>					
<b>Service Performance Indicators – for the year ended 30 June 2022</b>					
<b>Service/indicator/measure</b>	<b>Results 2018/19</b>	<b>Results 2019/20</b>	<b>Results 2020/21</b>	<b>Results 2021/22</b>	<b>Material Variations</b>
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					The total amount of garbage and recyclables collected by Council in 2021/22 (1,365t) is low in comparison to 2020/21 (3,347t). Prior years may have included estimates of tonnages as Council's waste management facility did not record weights and estimates were used to calculate tonnages based on average bin lifts.

**Service Performance Indicator definitions**

“**Aboriginal child**” means a child who is an Aboriginal person

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

**“active library member”** means a member of a library who has borrowed a book from the library

**“annual report”** means an annual report prepared by a council under sections 131,132 and 133 of the Act

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

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

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

**“food premises”** has the same meaning as in the Food Act program established under the Agreement entered into 1984

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

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

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

**“population”** means the resident population estimated by Council

<b>PERFORMANCE STATEMENT</b>									
<b>Financial Performance Indicators – for the year ended 30 June 2022</b>									
<b>Dimension/indicator/measure</b>	<b>Results</b>				<b>Forecast</b>				<b>Material Variations</b>
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	
<b>Efficiency</b>									
<b>Expenditure level</b>									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,304.30	\$5,359.60	\$5,467.89	\$4,754.09	\$5,255.33	\$4,755.78	\$4,928.67	\$5,030.22	Variation is primarily due to lower than budgeted materials and services as a result of extensive weather disruptions which have reduced the planned works program.
<i>Average rate per property assessment</i> [General rates and municipal charges revenue / Number of rateable property assessments]	New in 2019/20	\$1,721.65	\$1,713.24	\$1,745.91	\$1,792.89	\$1,836.22	\$1,884.89	\$1,935.11	Council adopted a 1.5% increase to the general rate and municipal charge in 2021/22 as per the Victorian Government's Fair Go Rates System. Rate increases are limited to the projected inflation increase for the year ahead unless an application is made to the Essential Services Commission for a variation.

<b>PERFORMANCE STATEMENT</b>									
<b>Financial Performance Indicators – for the year ended 30 June 2022</b>									
<b>Dimension/indicator/measure</b>	<b>Results</b>				<b>Forecast</b>				<b>Material Variations</b>
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	
<b>Liquidity</b>									
<b>Working capital</b>									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	939.94%	611.10%	388.23%	488.06%	358.20%	227.37%	120.14%	132.59%	Council is currently holding a significant amount of cash due to receiving payments in advance for approximately 75% of the 2022/23 allocation of Financial Assistance Grants as well as funding for a number of significant projects including bushfire recovery and carry forward capital works that are forecast to be completed in 2022/23. Significant weather and unavailability of materials and contractors have contributed to this deferred expenditure.
<b>Unrestricted cash</b>									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	717.14%	570.66%	207.10%	178.75%	327.14%	192.92%	86.92%	99.48%	Council is currently holding a significant amount of cash due to receiving payments in advance for approximately 75% of the 2022/23 allocation of Financial Assistance Grants as well as funding for a number of significant projects including bushfire recovery and carry forward capital works that are forecast to be completed in 2022/23.
<b>Obligations</b>									



<p><b>Loans and borrowings</b>  <i>Loans and borrowings compared to rates</i>            [Interest bearing loans and borrowings / Rate revenue] x100</p>	3.48%	0.04%	0.04%	0.00%	0.66%	0.07%	0.00%	0.00%	<p>Council entered into a finance lease for the purchase of a garbage truck in 2018 and had \$4,000 of borrowings as at 30 June 2021 which was paid out in 2021/22. The lease is expected to be fully paid off in the first quarter of 2022/23.</p>
--	-------	-------	-------	-------	-------	-------	-------	-------	---

<b>PERFORMANCE STATEMENT</b>									
<b>Financial Performance Indicators – for the year ended 30 June 2022</b>									
<b>Dimension/indicator/measure</b>	<b>Results</b>				<b>Forecast</b>				<b>Material Variations</b>
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	0.90%	0.95%	0.18%	0.18%	0.80%	0.77%	0.22%	0.15%	Council entered into a finance lease for the purchase of a garbage truck in 2018 and had \$4,000 of borrowings as at 30 June 2021 which was paid out in 2021/22. The lease is expected to be fully paid off in the first quarter of 2022/23.
<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	10.24%	9.80%	7.13%	7.79%	10.15%	9.77%	11.24%	11.07%	The increase in non-current liabilities compared to source revenue between 2020/21 & 2021/22 is due to a decrease in other income (\$4,105K) in 2020/21 & (\$1,469K) in 2021/22. The decrease in other income is due to less disaster recovery related income being received in 2021/22 than in 2020/21. Substantial disaster recovery related income was received in 2020/21 due to the 2019/20 bushfires.
<b>Asset renewal and upgrade</b> <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x 100	New	121.37%	129.41%	120.04%	503.38%	241.35%	180.24%	81.87%	In the past three years asset renewal and upgrade levels have been higher than 100% as a number of renewal projects have been brought forward due to grant funding being available. Council's asset renewal strategy is typically to renew 100% of assets that fall below intervention levels. The levels are set based on community expectations.
<b>Operating position</b>									

<b>Adjusted underlying result</b>									
<i>Adjusted underlying surplus (or deficit)</i>	21.27%	12.41%	7.82%	15.08%	(48.62%)	(10.14%)	(12.41%)	(12.73%)	The significant variability in results is due to the timing of payments of the Financial Assistance Grants.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									Payments in advance of approximately 75% of the 2022/23 allocation were received by Council in

PERFORMANCE STATEMENT									
Financial Performance Indicators – for the year ended 30 June 2022									
Dimension/ <i>indicator/measure</i>	Results				Forecast				Material Variations
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
									2021/22. These payments in advance result in significant variability in this measure over time.
<b>Stability</b> <b>Rates concentration</b>  <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	46.82%	33.56%	34.44%	37.56%	62.73%	52.44%	53.02%	53.49%	The significant variability in results is due to the timing of payments of the Financial Assistance Grants.
<b>Rates effort</b>  <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.57%	0.56%	0.52%	0.56%	0.38%	0.38%	0.39%	0.40%	The small increases in the forecast figures is due to the assumption of a forecast rate increase of 2.10% from 2021/22 and Capital Improved Values (CIV) remaining constant.

### **Financial Performance Indicator definitions**

"adjusted underlying revenue" means total income other than—

- (a) Non-recurrent grants used to fund capital expenditure; and

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by Council

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

<b>Retired measures</b>					
<b>Service/indicator/measure</b>					
	<b>Results</b>				<b>Comment</b>
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2021/22</b>	
<b>Animal management</b>					
<b>Health and safety</b>					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	Retired in 2019/20	Retired in 2019/20	Retired in 2019/20	This measure was replaced by Animal management prosecutions (%) for 2020.
<b>Efficiency</b>					

<b>Retired measures</b>					
<b>Service/indicator/measure</b>					
	<b>Results</b>				<b>Comment</b>
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2021/22</b>	
<b>Revenue level</b>					
<i>E1 – Average residential rate per residential assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,504.89	Retired in 2019/20	Retired in 2019/20	Retired in 2019/20	This measure was replaced by Average rate per property assessment for 2020.
<b>Obligations</b>					
<b>Asset renewal</b>					
O1 - Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x 100	126.02%	Retired in 2019/20	Retired in 2019/20	Retired in 2019/20	This measure was replaced by Asset renewal and upgrade compared to depreciation for 2020.



### **Basis of preparation**

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


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

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

The forecast figures included in the Performance Statement are those adopted by Council in its Budget on 23 June 2022. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The 2022/23 Budget can be obtained by visiting Council's website [www.towong.vic.gov.au](http://www.towong.vic.gov.au) or is available for viewing at the Tallangatta or Corryong offices.

## Certification of the Performance Statement

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



*Ms Juliana Phelps*  
**Principal Accounting Officer**  
Date: 26 April 2023

In our opinion, the accompanying Performance Statement of Towong Shire Council for the year ended 30 June 2022 presents fairly the results of Council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

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

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

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



*Andrew Whitehead*  
**Mayor**  
Date: 26 April 2023



*David Wortmann*  
**Deputy Mayor**  
Date: 26 April 2023



*Ms Juliana Phelps*  
**Chief Executive Officer**  
Date: 26 April 2023

## Auditor General's Report – Performance Statement

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Towong Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• description of municipality for the year ended 30 June 2022</li><li>• sustainable capacity indicators for the year ended 30 June 2022</li><li>• service performance indicators for the year ended 30 June 2022</li><li>• financial performance indicators for the year ended 30 June 2022</li><li>• basis of preparation and</li><li>• certification of the performance statement.</li></ul> <p>In my opinion, the performance statement of Towong Shire Council in respect of the year ended 30 June 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</i>.</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 Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

---

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

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

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

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

---

MELBOURNE  
28 April 2023



Travis Derricott  
*as delegate for the Auditor-General of Victoria*

# Financial Statements

## Certification of the Financial Statements

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



*Ms Juliana Phelps*

**Chief Executive Officer**

Date: 26 April 2023

In our opinion, the accompanying financial statements present fairly the financial transactions of the Towong Shire Council for the year ended 30 June 2022 and the financial position of the Council as at that date.

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

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



*Andrew Whitehead*

**Mayor**

Date: 26 April 2023



*David Wortmann*

**Deputy Mayor**

Date: 26 April 2023



*Ms Juliana Phelps*

**Chief Executive Officer**

Date: 26 April 2023

## Auditor General's Report - Financial Statements

**Opinion** I have audited the financial report of Towong Shire Council (the council) which comprises the:

- balance sheet as at 30 June 2022
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020* and applicable Australian Accounting Standards.

---

**Basis for Opinion** I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

---

**Councillors' responsibilities for the financial report** The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020*, 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.

In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

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

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

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

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



MELBOURNE  
28 April 2023

**Travis Derricott**  
*as delegate for the Auditor-General of Victoria*

## Comprehensive Income Statement for the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Rates and charges	3.1	9,434	9,227
Statutory fees and fines	3.2	280	316
User fees	3.3	1,158	1,217
Grants - operating	3.4	11,579	10,586
Grants - capital	3.4	7,778	4,059
Contributions - monetary	3.5	64	-
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	13	101
Fair value adjustments for investment property	6.3	43	37
Other income	3.7	1,655	4,105
<b>Total income</b>		<b>32,004</b>	<b>29,648</b>
<b>Expenses</b>			
Employee costs	4.1	9,280	8,834
Materials and services	4.2	7,531	11,479
Depreciation	4.3	4,341	4,155
Amortisation - right of use assets	4.5	-	26
Bad and doubtful debts	4.6	120	-
Borrowing costs	4.7	17	17
Finance costs - leases	4.8	6	8
Other expenses	4.9	222	174
<b>Total expenses</b>		<b>21,517</b>	<b>24,693</b>
<b>Surplus/(deficit) for the year</b>		<b>10,487</b>	<b>4,955</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)	6.1	30,211	-
<b>Total other comprehensive income</b>		<b>30,211</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>40,698</b>	<b>4,955</b>

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



## Balance Sheet As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1(a)	6,274	5,942
Other financial assets	5.1(b)	35,532	31,533
Trade and other receivables	5.1(c)	1,743	2,022
Inventories	5.2(a)	308	302
Other assets	5.2(b)	36	85
<b>Total current assets</b>		<b>43,893</b>	<b>39,884</b>
<b>Non-current assets</b>			
Trade and other receivables	5.1(c)	46	58
Investments in associates, joint arrangements and subsidiaries	6.2	43	78
Property, infrastructure, plant and equipment	6.1	236,052	200,731
Right-of-use assets	5.8	286	286
Investment property	6.3	1,175	1,132
<b>Total non-current assets</b>		<b>237,602</b>	<b>202,285</b>
<b>Total assets</b>		<b>281,495</b>	<b>242,169</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3(a)	1,169	384
Trust funds and deposits	5.3(b)	443	880
Unearned income/revenue	5.3(c)	5,538	7,246
Provisions	5.5	1,715	1,701
Interest-bearing liabilities	5.4	-	4
Lease liabilities	5.8	127	58
<b>Total current liabilities</b>		<b>8,992</b>	<b>10,273</b>
<b>Non-current liabilities</b>			
Provisions	5.5	979	943
Lease liabilities	5.8	-	127
<b>Total non-current liabilities</b>		<b>979</b>	<b>1,070</b>
<b>Total liabilities</b>		<b>9,971</b>	<b>11,343</b>
<b>Net assets</b>		<b>271,524</b>	<b>230,826</b>
<b>Equity</b>			
Accumulated surplus		125,380	114,893
Reserves	9.1	146,144	115,933
<b>Total Equity</b>		<b>271,524</b>	<b>230,826</b>

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

## Statement of Changes in Equity For the Year Ended 30 June 2022

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
<b>2022</b>				
Balance at beginning of the financial year		230,826	114,893	115,933
Surplus/(deficit) for the year		10,487	10,487	-
Net asset revaluation increment/(decrement)	6.1	30,211	-	30,211
		<u>271,524</u>	<u>125,380</u>	<u>146,144</u>
<b>Balance at end of the financial year</b>		<b>271,524</b>	<b>125,380</b>	<b>146,144</b>
<b>2021</b>				
Balance at beginning of the financial year		225,872	109,938	115,933
Surplus/(deficit) for the year		4,955	4,955	-
		<u>230,826</u>	<u>114,893</u>	<u>115,933</u>
<b>Balance at end of the financial year</b>		<b>230,826</b>	<b>114,893</b>	<b>115,933</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows For the Year Ended 30 June 2022

	Note	2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		9,225	8,295
Statutory fees and fines		280	316
User fees		1,158	1,217
Grants - operating		11,578	10,586
Grants - capital		6,071	4,059
Interest received		212	280
Other receipts		1,060	3,192
Net GST refund/payment		295	266
Employee costs		(9,266)	(8,681)
Materials and services		(6,326)	(6,611)
Trust funds and deposits repaid		(437)	(17)
<b>Net cash provided by/(used in) operating activities</b>	9.2	<b>13,850</b>	<b>12,902</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	6.1	(9,544)	(5,714)
Proceeds from sale of property, infrastructure, plant and equipment		106	103
Purchase of or proceeds from sale of other financial assets		(3,999)	(8,011)
<b>Net cash provided by/(used in) investing activities</b>		<b>(13,437)</b>	<b>(13,621)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(17)	(17)
Interest paid - lease liability		(6)	(8)
Repayment of lease liabilities		(58)	(56)
<b>Net cash provided by/(used in) financing activities</b>		<b>(81)</b>	<b>(81)</b>
Net increase (decrease) in cash and cash equivalents		332	(800)
Cash and cash equivalents at the beginning of the financial year		5,942	6,742
<b>Cash and cash equivalents at the end of the financial year</b>	5.1	<b>6,274</b>	<b>5,942</b>
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

## Statement of Capital Work For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Property</b>			
Buildings		3,285	1,290
<b>Total buildings</b>		<b>3,285</b>	<b>1,290</b>
<b>Total property</b>		<b>3,285</b>	<b>1,290</b>
<b>Plant and equipment</b>			
Plant, machinery and equipment		917	783
Fixtures, fittings and furniture		1	-
Computers and telecommunications		136	97
Library books		25	27
<b>Total plant and equipment</b>		<b>1,079</b>	<b>907</b>
<b>Infrastructure</b>			
Roads		2,795	1,425
Bridges		151	808
Footpaths and cycleways		6	99
Kerb & Channel		-	17
Drainage		-	81
Waste management		168	339
Parks, open space and streetscapes		2,060	737
Other infrastructure		-	11
<b>Total infrastructure</b>		<b>5,180</b>	<b>3,517</b>
<b>Total capital works expenditure</b>	6.1	<b>9,544</b>	<b>5,714</b>
<b>Represented by:</b>			
New asset expenditure		4,333	337
Asset renewal expenditure		1,827	4,109
Asset upgrade expenditure		3,384	1,268
<b>Total capital works expenditure</b>		<b>9,544</b>	<b>5,714</b>

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

---

# Notes for the Financial Report

## Note 1 OVERVIEW

### Introduction

Towong Shire 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 32 Towong Street, Tallangatta, Victoria.

### Statement of compliance

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

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

### Significant accounting policies

#### (a) Basis of accounting

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6).
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6).
- the determination of employee provisions (refer to Note 5).
- the determination of landfill provisions (refer to Note 5).
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in
- whether or not *AASB 10 Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgement

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives. Figures in the financial statements may not equate due to rounding.

#### (b) Impact of Covid-19

During 2021/22 the COVID-19 pandemic continued to impact on Council's operations. Council has noted the following significant impacts on its financial operations:

- The following grant funding was received to support our communities through the pandemic
  - \$396,000 in support of the Working for Victoria program to support temporary additional staff in 2020/21 to conduct activities of value for our communities;
  - \$200,000 for the COVID Safe Outdoor Activation Fund to assist local businesses to operate outdoor
  - \$30,000 to provide support to assist local businesses to apply COVID-safe practise
  - \$26,000 in Kindergarten Support funding to assist in providing fee relief to parent
  - \$18,000 to support ventilation and airflow measures across early years service
- There has also been a noted impact of COVID-19 on supply-chains and the availability of materials as well as skilled resources which resulted in delays on projects and service delivery of some programs.

## Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of ten percent (10%) or \$100,000 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.

Positive variances are favourable to Council's financial position whilst negative variances are unfavourable to Council's position.

The Budget figures reported below were adopted by Council on 23 June 2021 and reflect the assumptions that were relevant at the time of the budget adoption. Council sets guidelines and parameters for revenue and expense targets in order to meet Council's planning and financial targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations as their impact was not able to be reliably estimated at that time.

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

### 2.1.1 Income and expenditure

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
<b>Income</b>					
Rates and charges	9,409	9,434	25	0%	
Statutory fees and fines	185	280	95	51%	1
User fees	937	1,158	221	24%	2
Grants - operating	4,162	11,579	7,417	178%	3
Grants - capital	7,825	7,778	(47)	-1%	
Contributions - monetary	-	64	64	0%	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	13	13	0%	5
Fair value adjustments for investment property	-	43	43	0%	
Other income	535	1,655	1,120	209%	6
<b>Total income</b>	<b>23,053</b>	<b>32,004</b>	<b>8,951</b>	<b>39%</b>	
<b>Expenses</b>					
Employee costs	10,141	9,280	861	8%	7
Materials and services	7,124	7,531	(407)	-6%	8
Depreciation	4,360	4,341	19	0%	
Bad and doubtful debts	-	120	(120)	0%	
Borrowing costs	39	17	22	56%	9
Finance costs - leases	-	6	(6)	0%	
Other expenses	199	222	(23)	-12%	10
<b>Total expenses</b>	<b>21,863</b>	<b>21,517</b>	<b>346</b>	<b>0</b>	
<b>Surplus/(deficit) for the year</b>	<b>1,190</b>	<b>10,487</b>	<b>9,297</b>	<b>781%</b>	

#### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory Fines & Fees	There has been a significant increase in all fees in comparison to budgeted figures for planning permits (\$32,000), building permits (\$45,000), land information certificates (\$7,000) and animal permits (\$6,000), in part due to the ongoing rebuild efforts following the 2019/20 bushfires.

Variance Ref	Item	Explanation
2	User Fees	Childcare fees were \$69,000 higher than budget due to greater than anticipated levels of service utilisation. Resource Recovery Centre fees were \$35,000 higher than budget due significant income generated from steel recycling. General Income received was significantly higher than expected with additional funds received for trainees (\$16,000), Centrelink payments relating to child care subsidies and paid parental leave (\$23,000), Australia Day (\$20,000) and Victorian Electoral Commission Penalties (\$10,000).
3	Grants Operating	Council received a total of \$6.3 million in Financial Assistance Grants consisting of: \$2.7 million being 52% of the balance of 2021/22 Grant Allocation (Total 2021/22 \$5.2 million) and prepayment of the 2022/23 Grant Allocation \$3.8 million which is 70% of the 2022/23 allocation. Council also received an additional \$1.9 million in Bushfire Recovery funds compared to budget.
4	Contributions Monetary	Council does not budget for monetary or non-monetary contribution income unless contributions have been confirmed.
5	Net gain / (loss) on disposal of property, infrastructure, plant and equipment	Council does not budget for gains or losses on disposal of property, infrastructure, plant and equipment.
6	Other Income	Council received \$863,000 in reimbursements for natural disasters during the year which were not budgeted, as well as an additional \$153,000 in interest income compared to budget.
7	Employee Costs	There were savings in employee costs due to a number of vacant positions throughout the year.
8	Materials and Contracts	Council incurred additional unbudgeted maintenance costs for roads, bridges, parks, open space, and other infrastructure maintenance due to major flooding events in January 2022.
9	Borrowing Costs	Council anticipated entering new loan arrangements of \$500,000 in 2021/22 for the Colac Colac Caravan Park, which did not occur. The savings in budgeted borrowing costs was \$18,000.
10	Other Expenses	Councillors received an increase in allowances for 2021/22 which resulted in a \$22,000 variance in comparison to budget.

## 2.1.2 Capital works

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Building improvements	4,740	3,285	(1,455)	-31%	1
<b>Total buildings</b>	<b>4,740</b>	<b>3,285</b>	<b>(1,455)</b>	<b>-31%</b>	
<b>Total property</b>	<b>4,740</b>	<b>3,285</b>	<b>(1,455)</b>	<b>-31%</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	995	917	(78)	-8%	
Fixtures, fittings and furniture	-	1	1	0%	
Computers and telecommunications	480	136	(344)	-72%	2
Library books	31	25	(6)	-19%	3
<b>Total plant and equipment</b>	<b>1,506</b>	<b>1,079</b>	<b>(427)</b>	<b>-28%</b>	
<b>Infrastructure</b>					
Roads	12,403	2,795	(9,608)	-77%	4
Bridges	1,300	151	(1,149)	-88%	5
Footpaths and cycleways	155	6	(149)	-96%	6
Waste management	72	168	96	133%	7
Parks, open space and streetscapes	5,378	2,060	(3,318)	-62%	8
<b>Total infrastructure</b>	<b>19,308</b>	<b>5,180</b>	<b>(14,128)</b>	<b>-73%</b>	
<b>Total capital works expenditure</b>	<b>25,554</b>	<b>9,544</b>	<b>(16,010)</b>	<b>-63%</b>	
<b>Represented by:</b>					
New asset expenditure	6,160	4,333	(1,827)	-30%	
Asset renewal expenditure	5,056	1,827	(3,229)	-64%	
Asset upgrade expenditure	14,338	3,384	(10,954)	-76%	
<b>Total capital works expenditure</b>	<b>25,554</b>	<b>9,544</b>	<b>(16,010)</b>	<b>-63%</b>	

### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Building Improvements	Delays were incurred across a number of projects due to COVID-19 related impacts on the availability of materials and contractors, with the majority of budgeted works commenced. Variances included Colac Caravan Park \$490,000, Corryong Airport \$524,000 and Corryong Landfill Machinery Shed \$450,000. Actual expenditure also included new grant funded works which commenced during the year.
2	Computers & Telephones	The wireless infrastructure project \$300,000 and the balance of the finance system project \$60,000 were delayed and will be carried forward into 2022/23
3	Library Books	Under expended \$6,000
4	Roads	Delays due to extreme weather conditions and COVID-19 impacts, with variances including Hanson Street Corryong upgrade \$3.4 million, Corryong Stock Route \$2.5 million, Corryong CBD revitalisation \$1.5 million, Towong Street East \$635,000, Mitta Streetscape \$419,000, Lake Road upgrade \$343,000, Lake Road Blackspot \$239,000, Georges Creek Road upgrade \$567,000, Yabba Road upgrade \$237,000.



Variance Ref	Item	Explanation
5	Bridges	Delays to the DELWP Bridge Replacement Program primarily due to extreme weather. It is expected that there will be progress on design, and works are being tendered for the program in 2022/23.
6	Footpaths & Cycleways	Under expended due to weather and availability of contractors on the Strategic Pathway Links program \$95,000 and the Eskdale Walking Path upgrade \$42,000.
7	Waste Management	Higher than anticipated cost to deliver Landfill Cell 3 \$85,000 due to increased EPA compliance requirements for land studies and ground water modelling.
8	Parks, Open Space & Streetscapes	Delays were incurred across selected projects due to COVID-19 related impacts on the availability of materials and contractors, with the majority of projects in progress. Variances include Great River Road Stage 2 \$2.2 million, Great River Road Western End \$160,000, Bellbridge Walking Path \$85,000 and Bethanga Streetscape \$29,000; off-set by additional grant funded expenditure on Circuit Trail \$113,000.

---

**Note 2.2 Analysis of Council results by program**

Council delivers its functions and activities through the following programs:

**2.2.1 Asset Management**

Maintain and improve our Shire's infrastructure to meet the levels of service established in consultation with our communities.

**Community Wellbeing**

Encourage and support all people in our Shire to be healthy, happy, connected and resilient.

**Economic and Tourism Development**

Expand economic and employment opportunities across our Shire in a sustainable way.

**Land-use Planning**

Ensure that Council's planning, building and environmental health services support all aspects of liveability and sustainable population growth.

**Environmental Sustainability**

Integrate sustainable environmental management practices into all of our activities.

**Organisational Improvement**

Maintain a high performing customer-centred organisation that works with the community to develop and deliver priorities.

**Relief and Recovery**

Coordinate services to meet the relief and recovery needs of our communities following the 2019/20 bushfires.

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
<b>2022</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Asset Management	12,881	10,131	2,750	12,597	211,934
Community Wellbeing	2,752	2,433	319	1,833	12,615
Economic & Tourism Development	299	878	(579)	201	8,142
Land-use Planning	273	596	(323)	195	-
Environmental Sustainability	1,739	1,205	534	68	1,724
Organisational Improvement	12,685	3,986	8,699	3,986	47,017
Relief & Recovery	1,375	2,288	(913)	477	63
	<b>32,004</b>	<b>21,517</b>	<b>10,487</b>	<b>19,357</b>	<b>281,495</b>

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
<b>2021</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Asset Management	6,985	10,659	(3,674)	6,658	180,122
Community Wellbeing	2,739	2,330	409	1,930	10,818
Economic & Tourism Development	521	581	(60)	421	6,705
Land-use Planning	79	374	(294)	-	-
Environmental Sustainability	1,818	2,351	(533)	11	1,691
Organisational Improvement	12,126	3,607	8,518	3,515	42,744
Relief & Recovery	5,380	4,791	589	2,110	88
	<b>29,648</b>	<b>24,693</b>	<b>4,955</b>	<b>14,645</b>	<b>242,169</b>

**Note 3 Funding for the delivery of our services****2022**  
**\$'000****2021**  
**\$'000****3.1 Rates and charges**

Council uses capital improved values (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and capital improvements on the land.

The valuation base used to calculate general rates for 2021/22 was \$2.072 million (2020/21 \$1.759 million). The 2021/22 rate in the CIV dollar was 0.3046 cents to 1.2182 cents (2020/21 0.3500 cents to 1.4000 cents).

Residential general rates	1,274	1,382
Business general rates	146	167
Rural residential general rates	1,039	1,084
Rural general rates	4,078	3,759
Undeveloped residential general rates	119	122
Municipal charge	1,246	1,223
Kerbside collection charge	1,080	1,040
Waste facilities management charge	400	399
Revenue in lieu of rates	52	51
<b>Total rates and charges</b>	<b>9,434</b>	<b>9,227</b>

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

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

**3.2 Statutory fees and fines**

Land information certificates	14	11
Health registration fees	32	39
Permits	152	185
Town planning fees	82	81
<b>Total statutory fees and fines</b>	<b>280</b>	<b>316</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.

**3.3 User fees**

Children's program fees	835	772
External private works	3	9
Refuse disposal fees	132	276
Saleyard dues	14	11
Septic tank fees	13	11
Swimming pool fees	27	28
Other fees and charges	134	110
<b>Total user fees</b>	<b>1,158</b>	<b>1,217</b>
<b>User fees by timing of revenue recognition</b>		
User fees recognised at a point in time	1,158	1,217
<b>Total user fees</b>	<b>1,158</b>	<b>1,217</b>

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

	2022 \$'000	2021 \$'000
<b>3.4 Funding from other levels of government</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	9,450	8,157
State funded grants	9,907	6,488
<b>Total grants received</b>	<b>19,357</b>	<b>14,645</b>
<b>(a) Operating Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Financial Assistance Grants - General Purpose	3,871	3,367
Financial Assistance Grants - Local Roads	2,456	1,861
<b><i>Recurrent - State Government</i></b>		
Family and children	657	769
Community	118	114
Emergency services	60	73
School crossing supervisors	12	12
<b>Total recurrent operating grants</b>	<b>7,174</b>	<b>6,196</b>
<b><i>Non-recurrent - Commonwealth Government</i></b>		
Family and children	221	325
Recreation - 2022	-	40
Economic development	-	95
<b><i>Non-recurrent - State Government</i></b>		
Community	314	111
Family and children	720	591
Infrastructure	55	1,052
Environment	37	49
Corporate	444	15
Information technology	-	77
Recreation	54	51
Waste	30	-
Bushfire relief and recovery	2,004	1,658
Economic development	526	326
<b>Total non-recurrent operating grants</b>	<b>4,405</b>	<b>4,390</b>
<b>Total operating grants</b>	<b>11,579</b>	<b>10,586</b>
<b>(b) Capital Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Roads to recovery	1,177	1,199
<b>Total recurrent capital grants</b>	<b>1,177</b>	<b>1,199</b>
<b><i>Non-recurrent - Commonwealth Government</i></b>		
Infrastructure	1,645	1,270
<b><i>Non-recurrent - State Government</i></b>		
Other infrastructure	4,956	1,590
<b>Total non-recurrent capital grants</b>	<b>6,601</b>	<b>2,860</b>
<b>Total capital grants</b>	<b>7,778</b>	<b>4,059</b>

### (c) Recognition of grant income

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

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

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

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

	2022 \$'000	2021 \$'000
<b>Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i></b>		
General purpose	7,504	6,280
Other specific purpose grants	9,536	1,793
<b>Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i></b>		
Specific purpose grants	2,317	6,572
	<b>19,357</b>	<b>14,645</b>

### 3.5 Contributions

Monetary	64	-
<b>Total contributions</b>	<b>64</b>	<b>-</b>

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

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

Proceeds of sale	106	103
Written down value of assets disposed	(93)	(3)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>13</b>	<b>101</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

Interest	212	228
Interest on rates	83	-
Community contributions	-	21
Other rent	107	110
Shared services	158	144
Insurance reimbursement - 2019/20 bushfires	35	404
Disaster recovery funding arrangements - 2019/20 bushfires	863	2,964
Other	197	234
<b>Total other income</b>	<b>1,655</b>	<b>4,105</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.

	2022	2021
	\$'000	\$'000
<b>4.1 (a) Employee costs</b>		
Wages and salaries	7,296	7,113
WorkCover	193	104
Annual leave and long service leave	1,000	889
Superannuation	771	716
Fringe benefits tax	20	12
<b>Total employee costs</b>	<b>9,280</b>	<b>8,834</b>

**(b) Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	28	42
	<b>28</b>	<b>42</b>
Employer contributions payable at reporting date	-	-

**Accumulation funds**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	262	249
Employer contributions - other funds	478	419
	<b>740</b>	<b>668</b>
Employer contributions payable at reporting date	115	-

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

**4.2 Materials and services**

Materials and services	3,500	5,295
Contract payments	1,763	4,254
Maintenance-buildings, towns, parks and gardens	1,335	1,017
Plant and equipment maintenance	754	767
Utilities	179	146
<b>Total materials and services</b>	<b>7,531</b>	<b>11,479</b>

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

**4.3 Depreciation**

Property	855	821
Plant and equipment	738	611
Infrastructure	2,748	2,723
<b>Total depreciation</b>	<b>4,341</b>	<b>4,155</b>

Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

**4.4 Amortisation - Intangible assets**

<b>Total Amortisation - Intangible assets</b>	<b>-</b>	<b>-</b>
---	----------	----------

**4.5 Amortisation - Right of use assets**

<b>Total Amortisation - Right of use assets</b>	<b>-</b>	<b>-</b>
---	----------	----------

	2022 \$'000	2021 \$'000
<b>4.6 Bad and doubtful debts</b>		
Other debtors	120	-
<b>Total bad and doubtful debts</b>	<b>120</b>	<b>-</b>

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

<b>4.7 Borrowing costs</b>		
Bank fees	17	17
<b>Total borrowing costs</b>	<b>17</b>	<b>17</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.

<b>4.8 Finance Costs - Leases</b>		
Interest - Lease Liabilities	6	8
<b>Total finance costs</b>	<b>6</b>	<b>8</b>

<b>4.9 Other expenses</b>		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	35	29
Councillors' allowances	187	145
<b>Total other expenses</b>	<b>222</b>	<b>174</b>

#### Note 5 Our financial position

<b>5.1 Financial assets</b>		
<b>(a) Cash and cash equivalents</b>		
Cash on hand	1	1
Cash at bank	605	2,241
Money market call accounts	5,668	3,700
<b>Total cash and cash equivalents</b>	<b>6,274</b>	<b>5,942</b>
<b>(b) Other financial assets</b>		
Term deposits - current	35,532	31,533
<b>Total other financial assets</b>	<b>35,532</b>	<b>31,533</b>
<b>Total financial assets</b>	<b>41,806</b>	<b>37,475</b>

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

- Trust funds and deposits (Note 5.3)	443	880
Total restricted funds	<b>443</b>	<b>880</b>
Total unrestricted cash and cash equivalents	<b>5,831</b>	<b>5,062</b>

#### Intended allocations

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

- Unspent conditional grants received	19,455	15,319
- Cash held to fund carried forward capital works	16,010	5,426
- Cash held to fund future defined benefits call	500	500
Total funds subject to intended allocations	<b>35,965</b>	<b>21,245</b>

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

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

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



	2022 \$'000	2021 \$'000
<b>(c) Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	1,019	810
Walwa Waste Water Supply Debtors scheme	22	22
Eskdale Water Supply scheme debtors	-	3
Fire Service Property Levy debtors	143	198
<i>Other debtors</i>		
Sundry Debtors	131	1,135
Net GST receivable	428	(146)
Total current trade and other receivables	<u>1,743</u>	<u>2,022</u>
<b>Non-current</b>		
<i>Statutory receivables</i>		
Walwa Waste Water Supply Debtors scheme	46	58
Total non-current trade and other receivables	<u>46</u>	<u>58</u>
<b>Total trade and other receivables</b>	<u><b>1,789</b></u>	<u><b>2,080</b></u>

Short term receivables are carried at invoice amount. At balance date, sundry debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of Council's trade receivables (excluding statutory receivables) was:

**(d) Ageing of Receivables**

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

Current (not yet due)	70	663
Past due by up to 30 days	12	13
Past due between 31 and 180 days	49	320
Past due between 181 and 365 days	-	139
Total trade and other receivables	<u>131</u>	<u>1,135</u>

	2022	2021
	\$'000	\$'000
<b>5.2 Non-financial assets</b>		
<b>(a) Inventories</b>		
Inventories held for distribution	308	302
<b>Total inventories</b>	<b>308</b>	<b>302</b>

Council maintains inventories of gravel, crushed concrete and fuel to support operations. Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential.

**(b) Other assets**

Prepayments	9	45
Accrued income	27	40
<b>Total other assets</b>	<b>36</b>	<b>85</b>

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

**(a) Trade and other payables**

*Non-statutory payables*

Trade payables	542	(1)
Accrued wages	132	112
Accrued expenses	204	205
Other payables	157	68
PAYG payable	134	-
<b>Total trade and other payables</b>	<b>1,169</b>	<b>384</b>

**(b) Trust funds and deposits**

Refundable deposits	41	39
Fire Services Property Levy	176	683
Retention amounts	226	158
<b>Total trust funds and deposits</b>	<b>443</b>	<b>880</b>

**(c) Unearned income/revenue**

Grants received in advance - operating	188	189
Grants received in advance - capital	5,350	7,057
<b>Total unearned income/revenue</b>	<b>5,538</b>	<b>7,246</b>

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of funding received in relation to special performance grants. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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

**Purpose and nature of items**

Fire Services Property 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 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.

	2022 \$'000	2021 \$'000
<b>5.4 Interest-bearing liabilities</b>		
<b>Current</b>		
Borrowings	-	4
	<u>-</u>	<u>4</u>
<b>Total</b>	<u>-</u>	<u>4</u>

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

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

#### 5.5 Provisions

	Employee \$ '000	La restoration \$ '000	Total \$ '000
<b>2022</b>			
Balance at beginning of the financial year	1,785	859	2,644
Additional provisions	808	-	808
Amounts used	(758)	-	(758)
Balance at the end of the financial year	<u>1,835</u>	<u>859</u>	<u>2,694</u>
<b>2021</b>			
Balance at beginning of the financial year	1,683	859	2,542
Additional provisions	815	-	815
Amounts used	(713)	-	(713)
Balance at the end of the financial year	<u>1,785</u>	<u>859</u>	<u>2,644</u>

	2022 \$'000	2021 \$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	546	565
Long service leave	110	108
Flexi time	73	57
	<b>729</b>	<b>730</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Long service leave	986	971
	<b>986</b>	<b>971</b>
<b>Total current employee provisions</b>	<b>1,715</b>	<b>1,701</b>
<b>Non-current</b>		
Long service leave	120	84
<b>Total non-current employee provisions</b>	<b>120</b>	<b>84</b>
Aggregate carrying amount of employee provisions:		
Current	1,715	1,701
Non-current	120	84
<b>Total aggregate carrying amount of employee provisions</b>	<b>1,835</b>	<b>1,785</b>

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

#### *Annual leave*

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

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

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

#### *Long service leave*

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

#### Key assumptions:

- discount rate	3.69%	1.49%
- inflation rate	3.85%	2.95%

	2022 \$'000	2021 \$'000
<b>(b) Landfill restoration</b>		
Non-current	859	859
	<b>859</b>	<b>859</b>

Council is obligated to restore the Corryong Landfill site located on Sugarloaf Road, Corryong to an agreed 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:

- discount rate	3.69%	1.49%
- index rate	3.85%	2.95%

## 5.6 Financing arrangements

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

Master lease	400	400
Credit card facilities	25	25
Total facilities	425	425
Used facilities	127	190
Unused facilities	<b>298</b>	<b>235</b>

## 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.

### (a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>					
<b>Operating</b>					
Landfill site lease	40	41	44	-	125
Recycling management	240	40	-	-	280
Total	280	81	44	-	405
<b>Capital</b>					
Buildings	760	-	-	-	760
Roads	1,786	-	-	-	1,786
Drainage	-	-	-	-	-
Total	2,546	-	-	-	2,546
	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021</b>					
<b>Operating</b>					
Landfill site lease	38	40	85	-	162
Total	38	40	85	-	162
<b>Capital</b>					
Georges Creek Road	780	-	-	-	780
Colac Colac Caravan Park	889	-	-	-	889
Tallangatta Swimming Pool	231	-	-	-	231
Total	1,900	-	-	-	1,900

### (b) Operating lease receivables

#### *Operating lease receivables*

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

## 5.8 Leases

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

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

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
- 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.

Council did not have any peppercorn leases for the 2020/21 and 2021/22 reporting periods.

<b>Right-of-Use Assets</b>	<b>Vehicles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2021	286	286
Additions	-	-
Amortisation charge	-	-
Balance at 30 June 2022	<b>286</b>	<b>286</b>

<b>Lease Liabilities</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Maturity analysis - contractual undiscounted cash flows		
Total undiscounted lease liabilities as at 30 June:	<b>127</b>	<b>185</b>

Lease liabilities included in the Balance Sheet at 30 June:		
Current	127	58
Non-current	-	127
Total lease liabilities	<b>127</b>	<b>185</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.

**Note 6 Assets we manage**

**6.1 Property, infrastructure, plant and equipment**

**Summary of property, infrastructure, plant and equipment**

	Carrying amount 30 June 2021	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Carrying amount 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	33,102	-	-	5,757	(854)	-	-	1,645	39,650
Plant and equipment	3,520	978	-	-	(738)	(94)	-	-	3,666
Infrastructure	162,147	-	-	24,454	(2,748)	-	-	1,629	185,482
Work in progress	1,963	8,565	-	-	-	-	-	(3,274)	7,254
	200,731	9,543	-	30,211	(4,340)	(94)	-	-	236,052

**Summary of Work in Progress**

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	830	3,285	-	(1,645)	2,470
Plant and equipment	-	100	-	-	100
Infrastructure	1,133	5,180	-	(1,629)	4,684
Total	1,963	8,565	-	(3,274)	7,254

**(a) Property**

	Land - specialised	Land - non specialised	Total Land & Land Improvements	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	7,236	4,791	12,027	35,267	35,267	831	48,125
Accumulated depreciation at 1 July 2021	-	-	-	(14,192)	(14,192)	-	(14,192)
	7,236	4,791	12,027	21,075	21,075	831	33,933
<b>Movements in fair value</b>							
Additions	-	-	-	-	-	3,285	3,285
Revaluation	2,019	-	2,019	6,255	6,255	-	8,274
Transfers	-	-	-	1,645	1,645	(1,645)	-
	2,019	-	2,019	7,900	7,900	1,640	11,559
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	-	-	-	(854)	(854)	-	(854)
Revaluation increment / decrement	-	-	-	(2,517)	(2,517)	-	(2,517)
	-	-	-	(3,371)	(3,371)	-	(3,371)
At fair value 30 June 2022	9,255	4,791	14,046	43,167	43,167	2,471	59,684
Accumulated depreciation at 30 June 2022	-	-	-	(17,563)	(17,563)	-	(17,563)
Carrying amount	9,255	4,791	14,046	25,604	25,604	2,471	42,121



**(b) Plant and Equipment**

	<b>Plant machinery and equipment</b>	<b>Fixtures fittings and furniture</b>	<b>Computers and telecomms</b>	<b>Library books</b>	<b>Total plant and equipment</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At fair value 1 July 2021	7,821	29	538	177	<b>8,565</b>
Accumulated depreciation at 1 July 2021	(4,528)	(23)	(429)	(65)	<b>(5,045)</b>
	<b>3,293</b>	<b>6</b>	<b>109</b>	<b>112</b>	<b>3,520</b>
<b>Movements in fair value</b>					
Additions	917	1	36	25	<b>979</b>
Disposal	(414)	-	-	-	<b>(414)</b>
	<b>503</b>	<b>1</b>	<b>36</b>	<b>25</b>	<b>565</b>
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(663)	(1)	(52)	(23)	<b>(739)</b>
Accumulated depreciation of disposals	321	-	-	-	<b>321</b>
	<b>(342)</b>	<b>(1)</b>	<b>(52)</b>	<b>(23)</b>	<b>(418)</b>
At fair value 30 June 2022	8,324	30	574	202	9,130
Accumulated depreciation at 30 June 2022	(4,870)	(24)	(481)	(88)	<b>(5,463)</b>
Carrying amount	<b>3,454</b>	<b>6</b>	<b>93</b>	<b>114</b>	<b>3,667</b>

**(c) Infrastructure**

	Roads	Bridges	Footpaths and cycleways	Drainage	Kerb & Channel	Waste Management	Parks open space and streetscapes	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	178,744	24,129	2,944	9,343	8,352	543	2,261	309	1,132	227,757
Accumulated depreciation at 1 July 2021	(43,861)	(10,380)	(1,161)	(4,040)	(4,116)	(474)	(318)	(128)	-	(64,478)
	134,883	13,749	1,783	5,303	4,236	69	1,943	181	1,132	163,279
<b>Movements in fair value</b>										
Additions	-	-	-	-	-	-	-	-	5,180	5,180
Revaluation	30,535	4,122	-	(151)	-	-	-	-	-	34,506
Transfers	1,140	38	6	-	-	295	150	-	(1,629)	-
	31,675	4,160	6	(151)	-	295	150	-	3,551	39,686
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	(2,177)	(205)	(44)	(78)	(93)	(8)	(120)	(23)	-	(2,748)
Revaluation increment / decrement	(7,494)	(1,774)	-	(784)	-	-	-	-	-	(10,052)
	(9,671)	(1,979)	(44)	(862)	(93)	(8)	(120)	(23)	-	(12,800)
At fair value 30 June 2022	210,419	28,289	2,950	9,192	8,352	838	2,411	309	4,683	267,443
Accumulated depreciation at 30 June 2022	(53,532)	(12,359)	(1,205)	(4,902)	(4,209)	(482)	(438)	(151)	-	(77,278)
Carrying amount	156,887	15,930	1,745	4,290	4,143	356	1,973	158	4,683	190,165

#### *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.

	<b>Depreciation Period</b>	<b>Threshold Limit (\$)</b>
<i>Asset recognition thresholds and depreciation periods</i>		
Buildings		
buildings	50 years	5,000
Plant and Equipment		
vehicles and mowers	5 years	1,000
utilities	8 years	1,000
trucks - less than 3.5t	12 years	1,000
trucks - greater than 3.5t	15 years	1,000
plant and equipment	9 -15 years	1,000
minor tools	3 years	1,000
office furniture and telecommunications	3 years	1,000
library	8 years	1
Infrastructure		
roads - sealed pavements	70 years	10,000
roads - unsealed pavements	30 years	10,000
footpaths	68 years	10,000
roads - kerb, channel and minor culverts and other	90 years	10,000
bridges - deck and substructure	119 years	10,000
bridges - added features	80 years	10,000
drainage underground	100 years	10,000

#### *Land under roads*

Council recognises land under roads it controls at fair value.

#### *Depreciation and amortisation*

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

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

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

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

Depreciation periods used are listed 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 and buildings was undertaken by a qualified independent valuer Marcus Hann, 62901, of LG Valuation Services Pty Ltd, ABN 77 095 763 625, as at 30 June 2017. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

Valuation of specialised land was undertaken by a qualified independent valuer, Marcus Hann, 62901, of LG Valuation Services Pty Ltd, ABN 77 095 763 625, as at 1 January 2018. Specialised land and land under roads are valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are detailed in the table below. An indexed based valuation was conducted in the current year. This valuation was based on indexation values determined by the Valuer General, taking into account previous independent land and buildings valuations conducted in prior years.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Date of Valuation</b>
Land	-	1,011	3,780	Jun-17
Land Under Roads	-	-	9,255	Jan-18
Buildings	-	2,653	22,951	Jun-17
Total	-	3,664	35,986	

### **Valuation of infrastructure**

Valuation of Council's roads, footpaths, bridges and kerb and channel assets has been determined in accordance with an independent valuation undertaken by Peter Moloney, Moloney Asset Management Systems. The effective date of the valuation is 1 August 2017, for all infrastructure assets other than drainage assets. The valuation is at fair value based on replacement cost less accumulated depreciation at the date of valuation.

Council's drainage assets were revalued as of 30 June 2022 and were independently assessed and valued by Robert Uebergang (BE (Civil); BSc (Geol); Dip URP; IPWEA Professional Certificate in Asset Management Planning; IPWEA Professional Certificate in Infrastructure Financial Management; Registered Professional Engineer Victoria (PE0005344); Registered Professional Engineer of Queensland (RPEQ 20728) from Azura Keys Pty Ltd. The valuation is at fair value based on replacement cost less accumulated depreciation at date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2022 are detailed in the table below. An indexed based valuation was conducted in the current year. This valuation was based on indexation values determined using ABS indices, taking into account previous independent infrastructure valuations conducted in prior years.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Date of Valuation</b>
Roads	-	-	156,887	Aug-17
Bridges	-	-	15,930	Aug-17
Footpaths and cycleways	-	-	1,745	Aug-17
Drainage	-	-	4,290	Jun-22
Kerb and Channel	-	-	4,143	Aug-17
Parks, open space and streetscapes	-	-	1,973	Jun-16
Landfill	-	-	356	Jun-19
Other infrastructure	-	-	158	Jun-16
Total	-	-	185,482	

---

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

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 75% 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 \$1,800 and \$318,500.

**Specialised buildings** are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated per building and ranges from \$4,000 to \$3,186,000. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 50 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 11 years to 120 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.

	2022	2021
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	9,255	7,236
<b>Total specialised land</b>	<b>9,255</b>	<b>7,236</b>

	2022 \$'000	2021 \$'000
<b>6.2 Investments in associates, joint arrangements and subsidiaries</b>		
<b>(a) Investments in associates</b>		
MomentumOne Shared Services Pty Ltd		
<b>MomentumOne Shared Services Pty Ltd</b>		
<i>Background</i>		
Council has a 50% interest is held in MomentumOne Shared Services Pty Ltd		
<b>Fair value of Council's investment in MomentumOne Shared Services P/L</b>	-	-
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	78	78
Share of surplus(deficit) for year	(35)	-
<b>Carrying value of investment at end of year</b>	<b>43</b>	<b>78</b>

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

MomentumOne Shared Services Pty Ltd was established in 29 October 2015 as a joint venture between Apline Shire Council and Towong Shire Council with each Council holding a 50% share in the company and will share 50% of the post-acquisition gains or losses.

#### 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. Council has a Community Asset Committee, however transactions are not considered material and have not been included in this financial report.

### 6.3 Investment property

Balance at beginning of financial year	1,132	1,095
Fair value adjustments	43	37
Balance at end of financial year	<u>1,175</u>	<u>1,132</u>

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

#### Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Marcus Hann, LG Valuation Services Pty Ltd, ABN 77 095 763 623 who has recent experience in the location and category of the properties being valued. The valuation is at fair value, based on the current market value for the properties as at 30 June 2021 and 30 June 2022.

---

**Note 7 People and relationships****7.1 Council and key management remuneration****(a) Related Parties***Parent Entity*

Towong Shire Council is the parent entity.

**(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:

<b>Councillors</b>	Cr David Wortmann - Mayor (1 July 2021 - 24 November 2021)		
	Cr Andrew Whitehead - Mayor (24 November 2021 - 30 June 2022)		
	Cr Denise Anderson		
	Cr Peter Dikschei		
	Cr Aaron Scales		
	Juliana Phelps - Chief Executive Officer		
	Rachael Gadd - Director Infrastructure and Environment		
	Amanda Pagan - Director Community and Planning		
	Emma Woolaston - Director Corporate and Organisational Development		
		<b>2022</b>	<b>2021</b>
		<b>No.</b>	<b>No.</b>
<b>Total Number of Councillors</b>		5	7
<b>Total of Chief Executive Officer and other Key Management Personnel</b>		4	6
<b>Total Number of Key Management Personnel</b>		<u>9</u>	<u>13</u>

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

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Total remuneration of key management personnel was as follows:		
Short-term benefits	915	934
Long-term benefits	5	6
Post employment benefits	69	76
Total	<u>989</u>	<u>1,016</u>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
\$0 - \$9,999	-	2
\$10,000 - \$19,999	-	2
\$20,000 - \$29,999	3	2
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	2	1
\$70,000 - \$79,999	-	1
\$90,000 - \$99,999	-	1
\$130,000 - \$139,999	1	-
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	2	1
\$250,000 - \$259,999	1	1
	<u>9</u>	<u>13</u>

	2022	2021
	\$'000	\$'000
<b>7.2 Related party disclosure</b>		
<b>(a) Transactions with related parties</b>		
During the period Council entered into the following transactions with related parties.		
<b>Income</b>		
Fees and charges to entities controlled by KMP	-	1
Grants received from entity controlled by KMP (1)	8	-
Investment dividend received from joint arrangements (2)	35	-
<b>Total Income</b>	<b>43</b>	<b>1</b>
<b>Expenses</b>		
Grants paid to entities controlled by KMP (3)	5	-
Purchases of materials or services from joint arrangements	-	85
Purchases of materials or services from entities controlled by KMP (4)	271	217
Employee costs for close family members of KMP	-	76
<b>Total Expenses</b>	<b>276</b>	<b>378</b>
<b>Total Transactions</b>	<b>319</b>	<b>379</b>

*(1) Grants received from entity jointly controlled by key management personnel*

\$7,747 was received from the Municipal Association of Victoria (MAV) for grants including a) funding to plan for activities supporting the 16 Days of Activism against Gender-Based Violence; b) funding to support Maternal and Child Health services to support child sleep and settling; and c) funding to undertake tobacco control activities. These grants were in line with funding provided to councils across Victoria. Councillor Aaron Scales has been a board member of MAV since March 2021.

*(2) Investment dividends received from joint arrangements*

A \$35,100 investment dividend was received from MomentumOne Shared Services Pty Ltd. Council has a 50% shareholding in the company and has appointed Chief Executive Officer, Ms Juliana Phelps, as a Director. Refer Note 6.2 Investments in associates, joint arrangements and subsidiaries.

*(3) Grants paid to entities controlled by KMP*

A \$5,000 community recovery grant was paid to the Granya Cemetery Trust, of which Councillor Wortmann is the Chairperson. The grants process involved an application by each community group and an assessment of each application against established grant criteria, and conflicts of interest were managed by the relevant Councillor leaving the room when the relevant grants were discussed or decided upon.

*(4) Purchases of materials or services from joint arrangements*

\$1,000 was paid to the Corryong Recreation Reserve for the hire of the Upper Murray Events Centre for various workshops and programs. Councillor Andrew Whitehead is the Chairperson of the Corryong Recreation Reserve Committee of Management.

\$45,308 was paid to the Dartmouth Community Progress Association of which Councillor Aaron Scales is the Treasurer. This included \$41,504 for regular town maintenance services, \$1,046 for town beautification services, \$2,459 for tree maintenance services and \$300 in catering for an Agricultural Strategy meeting.

\$347 was paid to the Blue Wren Cabin, Towong of which Councillor Peter Dikschei is a part owner. The purchase was for staff accommodation on work related business.

\$2,663 was paid to the Dartmouth Pub Pty Ptd, of which Councillor Aaron Scales is the owner, for the annual provision of public toilets. Due to the lack of standalone public toilet facilities in Dartmouth a contract has been negotiated to make the external toilet facilities at the pub available for public use throughout the year.

\$185,812 was paid to Tourism North East of which the Chief Executive Officer, Ms Juliana Phelps, is a Director. The Board comprises CEOs of all participating councils as well as a number of independent directors. Payments included a membership fee of \$38,000 which is payable by all councils with a membership; \$67,812 for various tourism promotional activities; and \$80,000 to conduct the Upper Murray Brand Inc. and Towong Shire Tourism Brand Project.

\$36,449 was paid to the Municipal Association of Victoria (MAV), of which Councillor Aaron Scales is a Board member. Payments included annual memberships for 2021/22 and 2022/23 of \$17,425 per annum, which are paid by all councils; Councillor training of \$200; and optional reference group memberships of \$1,399.

**(b) Outstanding balances with related parties**

Towong Shire Council did not have any outstanding balances with related parties.

**(c) Loans to/from related parties**

No loans have been made to or received from a related party by Towong Shire Council.

**(d) Commitments to/from related parties**

Towong Shire Council has no outstanding commitments to or from related parties.



## Note 8 Managing uncertainties

### 8.1 Contingent assets and liabilities

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

#### (a) Contingent assets

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

##### *Operating Lease Receivables*

Council has a commercial property lease on its investment property, consisting of a freehold office. This property held is under an operating lease which is due to expire in January 2023. It is unknown if the current tenant will exercise its option of a 12 month extension.

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

	2023	2022
Not later than one year	20	14
	<b>20</b>	<b>14</b>

##### *Bushfire Recovery Insurance Claim*

During the 2020 Bushfires a number of Council's assets incurred significant damage one of which as the Machinery Shed at the landfill site. The assessment by Council's insurer has been ongoing as repairs have been completed and a progress payment of \$500,000 towards repairs has been requested.

#### (b) Contingent liabilities

Contingent liabilities are:

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

#### Superannuation

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

##### *Future Superannuation Contributions*

The expected contribution to be paid to Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$28,000.

#### Landfill

Council operates a landfill. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

#### Insurance claims

There are currently no major insurance claims that could have a material impact on Council's future operations.

#### Legal matters

There are currently no major legal matters that could have a material impact on Council's future operations.

#### 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.

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

Council provides a guarantee for a loan to the Corryong Neighbourhood Centre. The nominal value of the loan was \$250,000 over seven years, and was initially drawn down in February 2019.

#### (d) Support for Joint Arrangements

Due to the COVID-19 pandemic Towong Shire Council and Alpine Shire Council have guaranteed financial support for the entity MomentumOne Shared Services Pty Ltd as joint owners, to ensure they can continue to operate as a going concern. This support is for a period of twelve months from the date of the adoption of the MomentumOne Shared Services Pty Ltd Financial Statements.

---

## 8.2 Change in accounting standards

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

## 8.3 Financial instruments

### (a) Objectives and policies

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

### (b) Market risk

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

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

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

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

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

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

---

**(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 has a policy for establishing credit limits for the entities Council transact 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 Council's contingent liabilities are disclosed in Note 8.1(b).

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

**(d) Liquidity risk**

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

To help reduce these risks Council:

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

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

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

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

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

**(e) Sensitivity disclosure analysis**

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

- A parallel shift of + 1.35% and +3.5% in market interest rates (AUD) from year-end rates of 0.85%.

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

---

#### 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;

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

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

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

##### *Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 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, 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

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

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

Note 9 Other matters

9.1 Reserves	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
<b>2022</b>			
<b>Property</b>			
Land and land improvements	9,998	2,019	12,017
Buildings	5,226	3,738	8,964
	<u>15,224</u>	<u>5,757</u>	<u>20,981</u>
<b>Infrastructure</b>			
Roads	80,827	23,041	103,868
Bridges	10,085	2,348	12,433
Footpaths and cycleways	944	-	944
Drainage	5,003	(935)	4,068
Kerb and channel	3,850	-	3,850
	<u>100,709</u>	<u>24,454</u>	<u>125,163</u>
<b>Total asset revaluation reserves</b>	<b>115,933</b>	<b>30,211</b>	<b>146,144</b>
<b>2021</b>			
<b>Property</b>			
Land and land improvements	9,998	-	9,998
Buildings	5,226	-	5,226
	<u>15,224</u>	<u>-</u>	<u>15,224</u>
<b>Infrastructure</b>			
Roads	80,827	-	80,827
Bridges	10,085	-	10,085
Footpaths and cycleways	944	-	944
Drainage	5,003	-	5,003
Kerb and channel	3,850	-	3,850
	<u>100,709</u>	<u>-</u>	<u>100,709</u>
<b>Total asset revaluation reserves</b>	<b>115,933</b>	<b>-</b>	<b>115,933</b>

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

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>		
Surplus/(deficit) for the year	10,487	4,955
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(13)	(101)
Depreciation	4,341	4,155
Amortisation	-	26
Financing activities included in operating result	23	25
Fair value adjustments for investment property	(43)	(37)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	288	(1,351)
(Increase)/decrease in other assets	48	163
Increase/(decrease) in inventories	6	(8)
Increase/(decrease) in trade and other payables	884	(578)
(Decrease)/increase in unearned income /revenue	(1,708)	5,568
(Decrease)/increase in trust funds and deposits	(437)	(17)
(Decrease)/increase in provisions	(26)	102
Net cash provided by/(used in) operating activities	<b>13,850</b>	<b>12,902</b>

---

### 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 Income Statement when they are made or due.

#### **Accumulation**

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

#### **Defined Benefit**

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

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

#### **Funding arrangements**

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

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

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns 4.75% pa

Salary information 2.75% pa

Price inflation (CPI) 2.25% pa.

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

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

Net investment returns 5.5% pa

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

Price inflation (CPI) 3.0% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years

#### **Employer contributions**

##### **(a) Regular contribution**

On the basis of the 2021 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 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.

#### *(b) Funding calls*

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

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

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

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

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

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

#### **The 2021 interim actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

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

	<b>2021 (Interim)</b>	<b>2020 (Triennial)</b>
	<b>\$m</b>	<b>\$m</b>
- A VBI Surpl	214.7	100.0
- A total service liability surpl	270.3	200.0
- A discounted accrued benefits surpl	285.2	217.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2021.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2021.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2021.

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

#### **The 2022 interim actuarial investigation**

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

#### **Superannuation contributions**

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

<b>Scheme</b>	<b>Type of Scheme</b>	<b>Rate</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
Vision super	Defined benefits	10.0% (2021:9.5%)	28	42
Vision super	Accumulation	10.0% (2021:9.5%)	262	249

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

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$28,000.



---

**Note 10 Change in accounting policy**

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

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