

# Annual Report 2022/23

—  
Towong Shire...  
The ideal place to be

Front cover image: Lake Hume taken from Georges Creek.

With a surface area of over 20,000 hectares, Lake Hume is the central attraction where Towong, Indigo, Wodonga and Albury local government areas meet.

"There's something for everyone at Lake Hume" This major body of water hosts many summertime activities from fishing, boating, skiing and swimming as well as offering an amazing all-year-round-view.

# Contents

|   |           |
|---|-----------|
| <b>Annual Report</b> .....                                | <b>1</b>  |
| <b>Introduction</b> .....                                 | <b>6</b>  |
| Welcome .....   | 6         |
| About Towong Shire.....                                   | 7         |
| Facts, statistics and characteristics.....                | 8         |
| About our organisation.....                               | 9         |
| A message from the Mayor and Chief Executive Officer..... | 10        |
| <b>The year in review</b> .....                           | <b>12</b> |
| A snapshot .....  | 12        |
| Major capital works.....                                  | 15        |
| Financial summary.....                                    | 17        |
| <b>Our Council</b> .....                                  | <b>21</b> |
| Councillors.....  | 21        |
| <b>Our people</b> .....                                   | <b>22</b> |
| Management team.....                                      | 22        |
| 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 .....                 | 40        |
| 4. Land use .....   | 45        |
| 5. Environmental sustainability.....                      | 50        |
| 6. Organisational improvement .....                       | 56        |
| <b>Governance</b> .....                                   | <b>62</b> |
| Governance and management checklist.....                  | 66        |
| Statutory information.....                                | 70        |
| <b>Performance Statement</b> .....                        | <b>75</b> |
| Certification of the Performance Statement .....          | 95        |

|   |           |
|---|-----------|
| Auditor General’s Report – Performance Statement.....               | 96        |
| <b>Financial Statements.....</b>                                    | <b>98</b> |
| Certification of the Financial Statements.....                      | 98        |
| Auditor General’s Report – Financial Statement.....                 | 99        |
| Comprehensive Income Statement For the Year Ended 30 June 2023..... | 101       |
| Balance Sheet As at 30 June 2023.....                               | 102       |
| Statement of Changes in Equity For the Year Ended 30 June 2023..... | 103       |
| Statement of Cash Flows For the Year Ended 30 June 2023.....        | 104       |
| Statement of Capital Works For the Year Ended 30 June 2023.....     | 105       |
| Notes to the Financial Report For the Year Ended 30 June 2023.....  | 106       |

## 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 2022/23, 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 6,223\* residents and many more visitors across an area of 6,675 square kilometres.

Our municipality includes many diverse townships and localities including Bellbridge, Bulloh, 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 <sup>1</sup>  | 6,223       |
| Area   | 6,675 sq km |
| Property assessments (rateable)  | 4,553       |
| <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

*Nb: 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 great pleasure and a sense of accomplishment that I present to you the Towong Shire Council Annual Report for 2022/23.

I am immensely proud of the progress we have made over the past year. The dedication and collaborative spirit of our Council has paved the way for achievements that benefit our communities every day.

This year has been marked by the continued delivery of an expansive capital works program, with the delivery of these projects spanning multiple years across planning and execution phases. Projects of significance for this year have included:

- Corryong Saleyards redevelopment
- Heavy Vehicle Bypass (Corryong)
- Revitalisation of Hanson Street and the Corryong CBD
- Bellbridge Walking Track and Exercise Equipment
- Mitta Mitta Streetscape upgrades
- Cudgewa Avenue of Honour
- Corryong Aerodrome 24 hour aviation fuel service
- Wisers Creek Road
- Bridge upgrades (Eskdale)

With our eyes firmly on the future, we commenced master planning exercises for Mt Elliot and Lake Hume as well as town-based place making for Bellbridge, Bethanga, Corryong, Mitta Mitta and Tallangatta. We also adopted a number of strategic plans including; Agriculture Strategic Plan, Recreation Strategy and Mobile and Internet Strategy. Collectively, these documents provide us with both a clear roadmap of community priorities but also the evidence required to help secure government funding to deliver on these plans.

In the face of multiple emergency and extreme weather events over the last four years we continued to support our communities with a range of recovery services including roadside hubs and rebuild support. In addition, we have continued with our commitment to advocate for better connectivity and were pleased to secure commitment for the construction of phone towers in Burrowye and Koetong.

With a particular focus on families, we saw the delivery of a range of programs and events across the Shire, including an expanded library program, school holiday skill clinics, family movie nights and community walk and talks.

We know that the condition of roads is important to our community. In this financial year we invested \$1.6 million across our 1183km local road network on resurfacing, repairs and general maintenance, and next year we have committed to increasing this to \$1.8 million. However, with flood damage severely impacting the 500km of roads across our Shire managed by VicRoads, we also continued our strong advocacy to state members and ministers for increased spending by the State Government.

In other advocacy campaigns, we travelled to Canberra to meet with federal ministers, Minister Kristy McBain - Minister for Local Government and Regional Development and Minister for Early Childhood Minister Anne Aly. High on the agenda was the need for additional early years services for the Upper Murray and increased funding for road maintenance.

In our pledge to improve communications and customer service we were proud to launch our fortnightly digital newsletter and have also adopted a series of improvements to our Customer Relationship Management system to help us to monitor and respond to community inquiries.

In closing, I invite each of you to explore this annual report and celebrate the collective achievements of our community. It is a testament to what we can accomplish when we work together with a shared vision for an exciting future.



**Cr Andrew Whitehead**  
Mayor



**Juliana Phelps**  
Chief Executive Officer

# The year in review

## A snapshot

---

### July 2022

#### **Stage two of the Tallangatta Holiday Park Transformation has been completed.**

We completed Stage two of the Tallangatta Holiday Park transformation with the support of \$500,000 in state government funding through the Regional Infrastructure Fund. Works included a sealed walking path along the foreshore, playground equipment, Refurbishment of the amenities block, new streetlights and upgrades to roads.

---

### August 2022

#### **Launched community consultation for the move to four stream waste**

In advance of the moving to a four-stream waste service as part of the state governments commitment to a circular economy we reviewed our waste system and asked community for their input into what the future of waste services should look like across the Shire.

---

### September 2022

#### **Community consultation on four stream waste**

To help inform Council's decision in relation to one of the biggest waste reforms we've faced we commenced a community consultation process that addressed factors driving service decisions, including cost and convenience, as well as knowledge gaps in waste sorting.

---

### October 2022

#### **Community consultation Mt Elliot Masterplan**

To support the development of a feasibility study and masterplan that capitalises on the natural features of Mt Elliot we went to the community for their insights. Through surveys and community information sessions we heard what people want to make the most of and how to balance this with preserving the natural environment.

---

### November 2022

#### **Cr Andrew Whitehead election as Mayor**

We welcomed Cr Andrew Whitehead to his first tenure as Mayor of Towong Shire following previous terms as Deputy Mayor. After six (non-consecutive) terms as Mayor we also welcomed Cr Wortmann as Deputy Mayor.

---

### December 2022

---

---

We launched Creative Fridays at the Upper Murray Recovery Hub. Open to all ages, community members join in arts and craft activities in a casual and relaxed environment.

---

### **January 2023**

#### **Launch of e-newsletter**

---

As part of our ongoing commitment to improve the way we communicate with our rate payers and community members we launched Council's first e-newsletter. Delivered fortnightly directly to peoples inboxes it acts as an additional means to keep community members abreast of Council news, project updates, and events.

---

### **February 2023**

#### **Pub Tucker Month**

---

In February we invited locals and visitors to celebrate Pub Tucker Month with us. By enjoying one of the hearty pub meals on offer at Towong Shire's 11 pubs located in the Lake Hume, Mitta Valley and Upper Murray districts you were able to earn vouchers to spend at another pub.

---

### **March 2023**

#### **Community consultation commenced for Our Town towards 2030**

---

We asked our community to reimagine the way their township worked as part of Our Town Towards 2030, a project that will deliver town-based place plans for Bellbridge, Bethanga, Mitta Mitta, Corryong and Tallangatta.

---

### **April 2023**

#### **Family Wellness Festival**

---

We welcomed the newest members of our community at the Welcome Baby Ceremony as part of the Family Wellness Festival in Bellbridge. Despite the weather it was a day filled with family fun activities, food and community health information.

---

### **May 2023**

#### **Canberra Advocacy visit**

---

As part of our ongoing advocacy work Cr Andrew Whitehead and Chief Executive Officer Juliana Phelps travelled to Canberra to meet with Minister Kristy McBain - Minister for Local Government and Regional Development and Minister for Early Childhood Minister Anne Aly. It was an important opportunity to meet face to face and discuss the priorities and challenges being faced by our communities.

---

### **June 2023**

---

---

**2023/24 Budget adopted**

---

The Towong Shire Council Budget 2023/24 was formally endorsed by Council on 28 June 2023. Central to the Budget was a \$1.4 million investment in our local road network across our Pavement Renewal, Re-sheeting and Major Patching program, and a \$27.8 million capital program. The Budget included a rate increase of 3.5% for 2023/24, which is in line with the cap set by the State government under the Fair Go Rates System. Further, there was an increase to the kerbside collection charge due to increases in waste transportation and processing costs, together with the introduction of an organics kerbside collection service early in 2024.

---

## Major capital works

---

### **Talgarno - Wises Creek Road - Stage 1 & 2**

**\$1,497,345** (\$1,085,000 - for 22/23)

---

Upgrades to Wises Creek Road Stage 1 and 2 were completed with works including pavement widening, safety improvement at the Vincents Road intersection as well as the sealing of approximately 3.5 km of road. Stage 3 of the project is scheduled to be completed in 2023/2024.

The project was funded with the support of \$720,000 in State Government funding and \$412,345 in Federal Government funding.

---

### **Colac Colac Caravan Park Upgrade**

**\$1,657,464**

---

Redevelopment of the Colac Colac Caravan Park was completed with works including the construction of a new amenities block, camp kitchen with a games room, two barbeque shelters and the installation of a new multipurpose kiosk. In addition, the sewer system was upgraded to meet EPA standards.

The project was funded with the support of \$685,000 in State Government funding and \$572,464 in Federal Government funding.

---

### **Georges Creek Road Upgrades - Stage 3**

**\$1,200,000**

---

Following 6 years of work, the final stage of the George's Creek Road upgrade was completed. The project included pavement widening, realigning of sharp corners and the installation of a guardrail to improve safety and the sealing of approximately 1.8km of road.

The project was funded with the support of \$907,167 in State Government funding through the Agrilinks program.

---

### **Bellbridge Walking Track - Stage 1**

**\$85,000**

---

The Bellbridge Walking Track was upgraded with works including the widening and sealing of the existing walking track to improve the durability of the surface as well as the installation of outdoor exercise equipment.

The project was funded by the Federal Government through the Local Roads and Community Infrastructure Program (LRCIP) with a contribution of \$85,000.

---

### **Eskdale Walking Track – Stage 1 and Stage 2**

**\$310,000**

Stage 1 and Stage 2 of the Eskdale Walking Track were completed with works including the construction of a 500m walking track from the recreation reserve to existing walking tracks in the town center, the widening and sealing of 1.4km section to improve the durability of the track and reducing ongoing maintenance.

The project was funded with the support of \$310,000 in State Government funding through the Local Roads and Community Infrastructure (LRCI) Program.

---

### **Bethanga Playground Upgrade**

**\$100,000**

The Bethanga Playground was upgraded as part of the Council's ten-year playground renewal program. Developed in consultation with the community, the project also included the construction of a shade shelter with table and bench seating.

The project was funded with the support of \$60,000 in State Government funding through the Outdoor Dining Program

---



## Financial summary

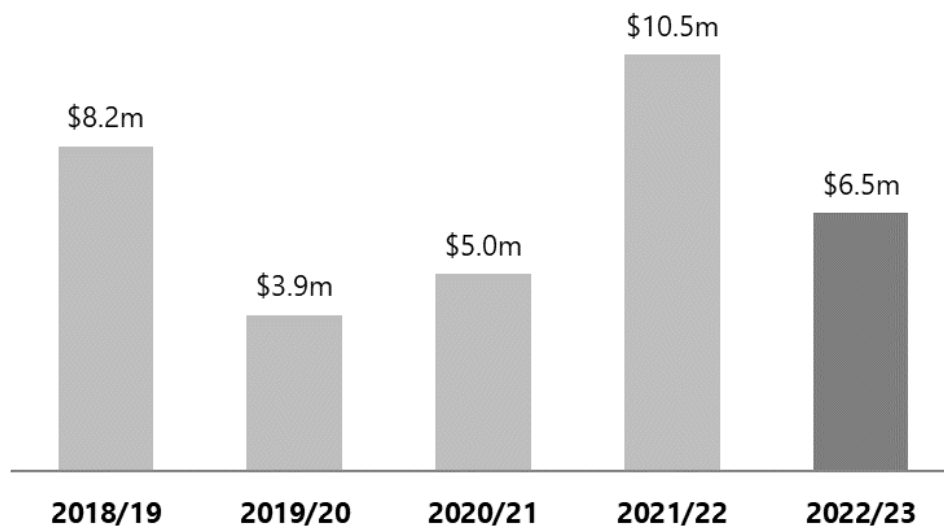
### Operating result

Our Financial Statements for 2022/23 show that we achieved a surplus of \$6.5 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 (\$9.02 million)
- lower than anticipated employee costs due to vacant positions throughout the year (\$0.2 million).

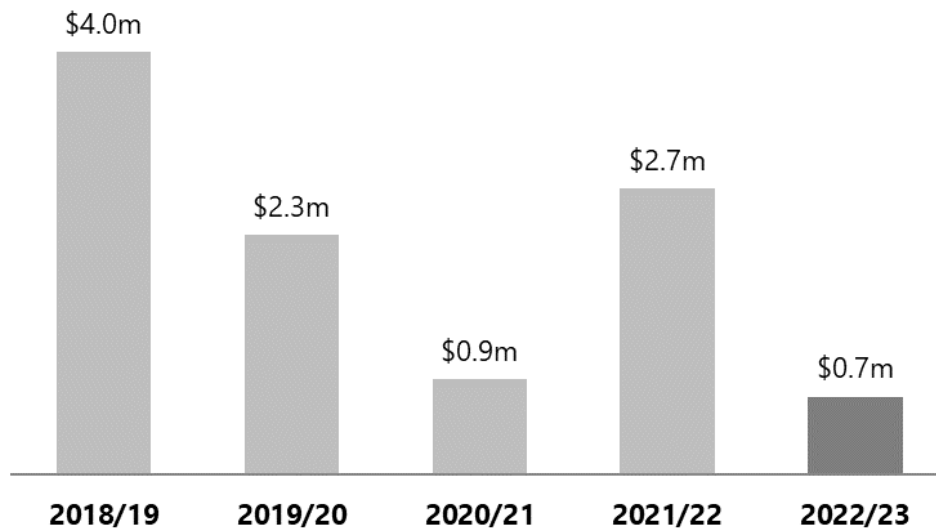
In relation to grants, major factors included the early receipt of 100% or \$3.7 million of the 2023/24 Financial Assistance Grants allocation, and \$2.2 million of the 2023/24 Local Road Funding.

A comparison of **operating results** from 2018/19 to 2022/23 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 2019/208 to 2022/23 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 \$3.7 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 2023/24.

### **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 and 2021/22 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 1.75% in line with inflation and the annual rate cap was approved as part of the 2022/23 Budget process, and similarly a rate increase of 3.50% was approved as part of the 2023/24 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 (Our Town Towards 2030 for Tallangatta, Mitta Mitta, Bellbridge, Corryong, Bethanga)
- 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 \$571,000, with \$248,000 aided by an 1.75% increase in general rates and the municipal charge in line with the State Government mandated rate-cap, a 10% increase in kerbside collection charges, and an additional small increase due to supplementary development.

## Fees and fines

Statutory fees increased from \$280,000 to \$300,000 however still short of the \$329,000 budget due to a lower than expected level of building permits, fees and charges. User fees remained steady for another year at \$1.2 million.

## Grant income

Net grant income was \$18.4 million, consistent with the prior year outcome of \$19.4 million. This was approximately \$9.8 million higher than anticipated in the Budget. Key factors included \$1 million net grant income for disaster recovery, the early receipt of \$3.7 million in Financial Assistance Grants and \$2.2 million of Local Roads Fundings, both of which were received in the last week of the financial year.

## Other Income

Other income increased from \$1.6 million to \$2.7 million, well above budget of \$630,000 largely contributed by \$868,000 in receipts relating to disaster recovery insurance claims and \$1.2 million of investment related income.

## Expenses

Expenditure increased by \$2.1 million over budget, contributed largely by higher depreciation (\$1m) and material costs (\$1.2m). Both expenditure items exceeding budget were driven by the increase in capital related works. Cost savings were made in staffing costs (\$222,000) due to vacancies not being filled and the minimisation of borrowing costs due to sufficient cashflow.

## Capital expenditure

Capital works expenditure recorded the highest amount in this council's history incurring \$12 million of spendings. Despite the record capital spendings, it was short of budget due to wet weather and availability of contractors.

\$380,000 was incurred on various public toilet block works, \$4.5 million on local roads and \$1.5 million of capital works relating to parks, open space and streetscapes.

The carried forward amounts budgeted on capital projects now see this council forecasting a larger capital spending program in the 2023/24 financial year which include works relating to:

- Corryong Stock Route and Saleyards
- Corryong Airport
- Hanson Street, Corryong
- Towong Street East, Tallangatta
- Smythes Road, Eskdale
- Little Snowy Creek, Eskdale
- Corryong Circuit Trail
- Great River Road
- Corryong Skatepark

## Our Council

### Councillors

The Councillors were elected for a four-year term at the elections held 24 October 2020. On 23 November 2022 Cr Whitehead was elected as Mayor for a one year term (his second 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.

#### **Narelle Taylor | Director of Corporate and Organisational Development** (effective 5 June 2023)

Ms Taylor was appointed to the role of Director of Corporate and Organisational Development in June 2023. As Director for Corporate and Organisational Development Narelle is responsible for the management of Communications and Engagement, IT, Local Laws, Governance, OHS, Finance, Customer Service, Human Resources and Records Management. Narelle's qualifications in Accounting and experience in Audit and Compliance, Human Resources and Operations in a FMCG organisation provide a great base for her to step into this role.

#### **Emma Woolaston | Director of Corporate and Organisational Development** (until 10 March 2023)

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><br><b>Juliana Phelps</b>   |  |
| <b>Rachael Gadd</b><br><b>Director Infrastructure and Environment</b>   |  |
| <b>Works</b><br>Infrastructure maintenance<br>Parks and open spaces<br><b>Projects</b><br>Construction and development<br><b>Assets</b><br>Asset management<br>Capital projects   | <b>Regulatory control</b><br>Building services<br>Environmental health<br><b>Environment</b><br>Waste management<br>Wastewater and water supply<br>Forest industry support                     |
| <b>Amanda Pagan</b><br><b>Director Community and Planning</b>   |  |
| <b>Community</b><br>Kindergartens<br>Maternal and child health<br>Recreation<br>Youth, family and senior programs<br>Emergency management<br>Relief and Recovery<br><b>Land use Planning</b>  | <b>Economic and Tourism Development</b><br>Business support<br>Agricultural diversity<br>Visitor information services<br>Event support<br><b>Recreation Arts and Culture</b><br>Swimming Pools |
| <b>Emma Woolaston (until 10 March 2023)</b><br><b>Director Corporate and Organisational Development</b><br><b>Craig Heiner</b><br><b>A/g Director Corporate and Organisational Development (11 March - 4 June 2023)</b><br><b>Narelle Taylor (from 5 June 2023)</b><br><b>Director Corporate and Organisational Development</b> |  |
| <b>Finance</b><br>Accounting<br>Rates and property<br>Payroll<br><b>Communications and Engagement</b><br>Communications<br>Community engagement<br>Media<br>Customer service  | <b>Corporate</b><br>Information technology<br>Risk management and insurance<br>Governance<br>Human resources<br>Records management<br><b>Ranger &amp; Local Laws</b>                           |



## Workforce statistics

A summary of the number of full time equivalent (FTE) council staff, as at 30 June 2023, 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                 | 37.5        | 3.2         | -          | 0.8         | 2.0        | -          | <b>43.5</b>  |
| Community wellbeing              | 2.1         | 2.1         | 3.2        | 21.1        | 0.6        | 3.2        | <b>32.3</b>  |
| Economic and tourism development | -           | -           | -          | 2.4         | -          | -          | <b>2.4</b>   |
| Land use                         | 2.1         | 1.1         | -          | -           | -          | -          | <b>3.2</b>   |
| Environmental sustainability     | 3.1         | -           | 0.5        | -           | 0.2        | -          | <b>3.8</b>   |
| Organisational improvement       | 5.3         | 7.1         | 1.7        | 6.8         | -          | 1.3        | <b>22.1</b>  |
| Relief and recovery              | -           | 3.4         | -          | 0.8         | -          | -          | <b>4.3</b>   |
| Executive                        | -           | 2.1         | -          | 0.5         | -          | 0.4        | <b>3.0</b>   |
| <b>TOTAL</b>                     | <b>49.9</b> | <b>18.9</b> | <b>5.4</b> | <b>32.5</b> | <b>2.8</b> | <b>4.9</b> | <b>114.4</b> |

A summary of the number of full time equivalent (FTE) council staff, as at 30 June 2023, by employment classification and gender is set out below.

| Employment Classification | Male        | Female      | Total        |
|---------------------------|-------------|-------------|--------------|
| Band 1                    | -           | -           | -            |
| Band 2                    | -           | -           | -            |
| Band 3                    | 19.0        | 4.6         | <b>23.6</b>  |
| Band 4                    | 12.9        | 11.5        | <b>24.4</b>  |
| Band 5                    | 3.1         | 13.7        | <b>16.7</b>  |
| Band 6                    | 7.3         | 6.2         | <b>13.4</b>  |
| Band 7                    | 7.3         | 3.5         | <b>10.8</b>  |
| Band 8                    | 3.2         | 0.9         | <b>4.1</b>   |
| Band not applicable       | 5.4         | 15.9        | <b>21.4</b>  |
| <b>TOTAL</b>              | <b>58.1</b> | <b>56.3</b> | <b>114.4</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   | Council Plan             | Annual Budget     | Annual Report                                       |
| Asset Plan   | Healthy Communities Plan |                   | Council Plan Reporting                              |
| Financial Plan   | Budget                   |                   | Quarterly Budget Reporting                          |
| Place-Based Master Plans   | Revenue and Rating Plan  |                   | 'Know Your Council' Website – Performance Reporting |
| <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> | Workforce Plan           |                   |   |
|  | Planning Scheme          |                   |   |

### Reporting on delivery of the Council Plan

The following pages detail Council's performance for the 2022/23 for 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>• Upgrade and sealing of Wises Creek Road – Stage 1 and 2</li> <li>• Completion of Georges Creek Road – Stage 3</li> <li>• Upgrade to Colac Colac Caravan Park</li> <li>• Upgrade and sealing of Eskdale walking track – Stage 1 and Stage 2</li> <li>• Upgrade of the Bethanga Playground</li> <li>• Completion of Upper Murray Road Upgrades</li> </ul> |
| <b>Challenges</b> | <ul style="list-style-type: none"> <li>• Significant increases in material and building costs.</li> <li>• Delays due to storm events in September and October 2022 leading to construction delays.</li> <li>• Unavailability of civil contractors for capital projects due to commitments towards storm damage remedial works</li> </ul>   |

In January 2023 we adopted our Asset Plan 2022-2032 as a key component of Council's Asset Management Framework and as a means complying with section 92 of the Local Government Act 2020. The Plan demonstrates the importance and magnitude of the infrastructure assets for which Council is the custodian and sets out how the management of assets will respond to the Community Vision and Financial Plan in the context of climate change, demographic change, asset condition, and other drivers.

This year we invested \$1.6 million across our 1183km local road network in resurfacing, repairs, and general maintenance with the primary purpose of improving safety in rural communities. Key projects under this program included the completion of the final stage of upgrades to Georges Creek Road, the completion of Stage 1 and Stage 2 of Wises Creek Road, pavement stabilization, and the installation of 430m of guardrail to improve safety.

While we continued to work towards the delivery of one of Council's most ambitious capital programs we were not immune to the challenges faced by industry of labour shortages and increased fuel and material costs and in some cases, this has resulted in the rescoping or delay of projects. Despite this we were able to progress a number of key community infrastructure projects across our townships. These included sealing Stage 1 of the Bellbridge and Eskdale Walking Track as a means of improving durability and ensuring longevity, the installation of outdoor exercise equipment on the Bellbridge Foreshore, and

upgrades to the Bethanga Playground. We also supported the community in the delivery of Sandy the Warhorse statue in the Tallangatta Triangles.

The securing of government funding in response to the 2019/20 Black Summer bushfires supported, among other projects, the upgrade of the Colac Colac Caravan Park and the redevelopment of the Cudgewa Avenue of Honour. The upgrade of the Colac Colac Caravan Park, including the construction of a new amenities block, a multipurpose camp kitchen, two barbecue shelters, and a new kiosk, have been completed. In Cudgewa, we have worked closely with community members to develop a design for the Avenue of Honour and streetscape upgrades, with planting and re-alignment being completed in 2023/24.

### Strategic indicators

| Indicator   | Target                          | Result<br>21/22 | Result<br>22/23 | Result<br>23/24 | Target<br>Reached |
|---|---------------------------------|-----------------|-----------------|-----------------|-------------------|
| Sealed local road requests  | Reduction in number of requests | 22              | 68              |                 | No*               |
| Unsealed local road requests  | Reduction in number of requests | 83              | 115             |                 | No*               |
| Requests per 100km of sealed local roads  | Reduction in number of requests | 5.73            | 17.61           |                 | No*               |
| Unsealed road condition   | Improvement in condition        | 196             | 226             |                 | No*               |
| Fatal and non-fatal crash statistics across the shire attributable to road safety | Improvement in crash statistics | 0               | 1               |                 | No                |
| Completion of annual capital works projects                                       | 100% complete                   | 25%             | 32.2%           |                 | No                |

\*The impact of rain and storm events over the last two years has resulted in significant damage to Council's road infrastructure. This has driven an increase from 2021/22, and consequently we have not met these targets.

## Service performance indicators

| Indicator   | Result<br>2019/20 | Result<br>2020/21 | Result<br>2021/22 | Result<br>2022/23 | Comments   |
|---|-------------------|-------------------|-------------------|-------------------|--|
| <b>ROADS</b><br><br><b>Satisfaction of use</b><br><br><i>Sealed local road requests</i><br><br>[Number of sealed local road requests / Kilometres of sealed local roads] x100   | 10.05             | 9.52              | 5.73              | 17.42             | The number of road requests has increased over the last year primarily as a result of damage caused by flooding and heavy rain over the past 12-24 months. |
| <b>Condition</b><br><br><i>Sealed local roads maintained to condition standards</i><br><br>[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%           | 97.00%            | The number of road requests has increased over the last year primarily as a result of damage caused by flooding and heavy rain over the past 12-24 months. |
| <b>Service cost</b><br><br><i>Cost of sealed local road reconstruction</i><br><br>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]   | \$45.49           | \$59.02           | \$59.58           | \$62.24           |  |
| <b>Service Cost</b><br><br><i>Cost of sealed local road resealing</i><br><br>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]  | \$6.37            | \$7.30            | \$0.00            | \$6.51            | 79,656m <sup>2</sup> of existing sealed roads were resealed this year.   |

|   |       |       |       |       |   |
|---|-------|-------|-------|-------|---|
| <b>Satisfaction</b>   |       |       |       |       | A significant drop in the community satisfaction level for local roads is reflective of a state wide trend. Council's performance is slightly below the average for comparative small rural Councils. |
| <i>Satisfaction with sealed local roads</i><br><br>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads] | 63.00 | 57.00 | 50.00 | 38.00 |   |

## 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 | 72 projects were included in the program for 2022/23; 69 projects are in progress and 20 have been completed.                             |
| 1.2                        | Deliver infrastructure projects that arise from place-based master planning           | In Progress | Progress on township masterplans has continued.   |
| 1.3                        | Complete Stage Two Great River Road   | In Progress | Pedestrian bridges have been installed on the Walwa Jingellic Track. Designs for the Towong Boardwalk and Towong Lookout are in progress. |
| 1.4                        | Continue the upgrade of Georges Creek Road  | Complete    | Complete  |
| 1.5                        | Complete upgrades of Hanson Street from Sugarloaf Road to Kiel Street                 | In Progress | Contractor appointed and preparations are underway to start construction following the completion of the Corryong CDB civil works.        |
| 1.6                        | Complete the upgrade of the Stock Route in Corryong                                   | In Progress | Construction has continued with some delays to due inclement weather.   |
| 1.7                        | Progressively deliver the upgrade of the unsealed sections of Lake Road               | In Progress | Final designs are being completed.  |
| 1.8                        | Investigate upgrade options for Wisers Creek Road                                     | In Progress | Sections 1 and 2 have been completed and section 3 is budgeted for in 2023/2024.  |
| 1.9                        | Advocate for the upgrade of the Benambra Corryong Road from Staceys Bridge 40km South | Ongoing     | Ongoing   |

|      |   |             |  |
|------|---|-------------|--|
| 1.10 | Seek funding to deliver upgrades of key transport routes and hazardous road alignments to improve efficiency and safety | Ongoing     | In preparation for funding applications the approval process for Lake Road/ Murray River Road intersection has commenced and a Road safety risk assessment for Georges Creek Road/Murray River Road intersection is underway |
| 1.11 | Seek funding to deliver upgrades of load limited bridges on strategic transport routes                                  | In Progress | The construction of Smythes Road and Little Snowy Creek Road Bridges are scheduled or 2023/24.   |
| 1.12 | Continue to deliver the upgrade of unsealed streets in urban areas program.   | Not Started | Future start date scheduled.   |
| 1.13 | Complete the upgrade of the Corryong CBD.   | In Progress | Contractor appointed to and works scheduled to commence in August 2023.  |
| 1.14 | Complete streetscape upgrades in Dartmouth and Mitta Mitta.   | In Progress | Mitta Mitta Streetscape Stage 1 has commenced and is scheduled for completion in September 2023. 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 process has commenced for all townships.  |
| 1.16 | Continue to deliver the strategic footpath network improvement program in urban areas.                                  | Ongoing     | Paths have been sealed at Eskdale and Bellbridge. Towong Street East footpath is under construction.   |
| 1.17 | Address long vehicle and overflow parking issues in CBD areas.  | In Progress | Long vehicle parking continues to be considered as a priority as part of the streetscape design process for all towns.   |
| 1.18 | Seek funding to deliver improved public toilets across the Shire.   | In Progress | Triangles toilet block under construction with the toilet blocks for Corryong CBD and Talgarno in design phase.  |
| 1.19 | Seek funding to deliver upgrades to town entrances and wayfinding signage across the shire                              | Not started | In preparation for funding submission final designs have been developed.   |
| 1.20 | Seek funding to deliver an upgraded Corryong Integrated Community Centre  | Not Started | Future start date scheduled.   |

|      |  |             |   |
|------|--|-------------|---|
| 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. Design process to be delivered in 2023/24. |
| 1.22 | Review and deliver the strategic parks and playgrounds upgrade program to completion   | In Progress | Bethanga Playground has been completed, Roy Williams park has been delayed due to inclement weather.  |
| 1.23 | Undertake upgrades at the Colac Colac Caravan Park to ensure long term viability of the park   | Complete    | Complete  |
| 1.24 | Investigate options for additional boat ramps  | Not Started | Future start date scheduled.  |
| 1.25 | Deliver the Corryong aerodrome 24 hour fuel project  | Complete    | Complete  |
| 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     | Road, bridge, footpath, building, playground, recreation and open space asset inspection are undertaken as per program.   |
| 1.28 | Implement the maintenance program for Council's buildings  | Ongoing     | External painting of Tallangatta and Corryong Council buildings has been completed, contractors have been appointed for bus shelter and recycling shed renewal.                                 |



## 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>• The Tallangatta Neighbourhood House relocation to the former Tallangatta Kindergarten site and a suite of programs developed and implemented.</li> <li>• Commencement of Placemaking projects in Bethanga, Corryong, Mitta, and Tallangatta</li> <li>• Completion of the Recreation Strategy and draft recreation masterplans.</li> <li>• Secured additional funding for bushfire and flood recovery projects and continued delivery of flood and bushfire recovery activities.</li> <li>• Successful delivery of the 2022/2023 Swimming Pool season</li> </ul> |
| <p><b>Challenges</b></p> | <ul style="list-style-type: none"> <li>• Recruitment of early years educators and teachers to support growth and demand in Early Years Learning Services, across all service locations.</li> </ul>   |

We supported a wide range of community wellbeing initiatives throughout 2022/2023, despite the challenges of a focus on flood response and recovery, and reduced staff resources. The strong engagement and appreciation of this work is demonstrated by the consistent levels of participation in all activities.

Childcare services were delivered in Tallangatta, Bellbridge and Walwa. Staff recruitment is an ongoing industry wide challenge exacerbated by Towong’s relative remoteness. This year, three-year-old kindergarten program was consolidated and operated successfully alongside the four-year-old program in Corryong, Tallangatta, Bellbridge and Walwa. Funding was received to support a review of capacity in our facilities in the lead up to the roll out of 30 hours per week for 4 year olds in 2028.

Funding was secured for a range of improvements across Centres including an upgrade of the play spaces at the Bellbridge Early Years Centre. These upgrades will provide improved play spaces that are inclusive and provide greater enjoyment for the children.

The Maternal Child Health team continued the delivery of weekly Maternal Child Health services across the Shire. First Time Parents Groups, Mother Goose Programs and Support Playgroups continue to operate, with additional programs and locations identified for commencement in the future. A particular focus has been on supporting families navigating and accessing various service systems.

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 70 activities were delivered for the period, engaging with over 1000 participants.

Youth programs and services were undertaken to support the Towong Shire Council Youth Plan 2019-2023 but were limited due to a staff vacancy.

Council continued its journey in the development of a Reconciliation Action Plan. Cultural Awareness Training Sessions for staff were facilitated in Corryong and Tallangatta, supported by the Victorian Aboriginal Child Care Agency. This training supports improved engagement with indigenous community members, and traditional owners.

The swimming 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.

The finalisation of the Recreation Strategy and a range of precinct Masterplans has supported funding opportunities for facility improvements. The Tintalra and Bullioh Recreation Reserves have each had significant funding approved to develop particular facilities.

Council continued to work with Community Recovery Committees and funding agencies to support Recovery activities following the Black Summer Bushfire event which impacted the Upper Murray and other parts of the Shire. This work and the associated development of community strengthening will continue into the 2023/2024 year.

The flood event in October 2022 had widespread impact on various parts of the shire. Recovery support and activities have been activated across the year, and supported affected landowners access funding for remediation works, as well as the provision of health and well being services.

## Strategic indicators

| Indicator  | Target                              | Result<br>21/22          | Result<br>22/23  | Result<br>23/24 | Target<br>Reached |
|--|-------------------------------------|--------------------------|------------------|-----------------|-------------------|
| Wellbeing  | Improved wellbeing                  | ↓14.3%                   | 14.3%*           |                 | No                |
| Community Resilience Plans   | Plans developed                     | 9                        | 10               |                 | Yes               |
| Sedentary behaviour  | Reduction in<br>sedentary behaviour | ↑11.4%*                  | 11.4%*           |                 | No                |
| Family violence and suicide occurrences                            | Decrease in<br>occurrences*         | FV ↑ 50%<br>Suicide ↑ 6% | FV ↑ 38.1%<br>0% |                 | No                |
| Participation in MCH, early education and early childcare services | Increased participation             | 91.1%                    | 91.1%            |                 | Yes               |
| Participation in Council run social inclusion activities           | Increased number of participants    | 2,928                    | 1,628            |                 | No                |

\* Data source issued every 3 years

## Service performance indicators

| Indicator  | Result<br>2019/20 | Result<br>2020/21 | Result<br>2021/22 | Result<br>2022/23 | Comments  |
|--|-------------------|-------------------|-------------------|-------------------|---|
| <b>AQUATIC FACILITIES</b><br><br><b>Service standard</b><br><br><i>Health inspections of aquatic facilities</i><br><br>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities] | 1.00              | 1.00              | 0.00              | 1.00              | Both the Tallangatta and Corryong pool were inspected in 2022/23. There were no inspections in the 2021/22 year as the inspectors from Melbourne were unable to travel due to COVID restrictions. |
| <b>Utilisation</b><br><br><i>Utilisation of aquatic facilities</i><br><br>[Number of visits to aquatic facilities / Municipal population]  | 1.78              | 0.89              | 1.12              | 1.37              | Council operates two outdoor seasonal swimming pools. There were 8,480 visits recorded in 2022/23 compared to 6,783 in 2021/22; 5,455 in 2020/21 and 10,732 in 2019/20.                           |

| Indicator  | Result<br>2019/20 | Result<br>2020/21 | Result<br>2021/22 | Result<br>2022/23 | Comments   |
|--|-------------------|-------------------|-------------------|-------------------|--|
| <p><b>Service cost</b></p> <p><i>Cost of aquatic facilities</i></p> <p>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</p>                                     | \$13.10           | \$22.99           | \$22.64           | \$16.22           | The higher attendance numbers at both pools, compared to the two previous years, has lead to a lower cost per visit for the 2022/23 year.  |
| <p><b>LIBRARIES</b></p> <p><b>Utilisation</b></p> <p><i>Physical library collection usage</i></p> <p>[Number of physical library collection item loans / Number of physical library collection items]</p>        | 1.12              | 0.98              | 0.90              | 0.78              | There were 10,452 items loaned (with 13,480 items available for loan) in 2022/23. This compares to 13,442 items loaned (with 14,980 items available for loan) in 2021/22; 14,281 loaned of 14,542 available items in 2020/21 and 17,101 loaned of 15,276 available items in 2019/20. The decrease is partially due to a hold on inter-library loans from Oct-May.  |
| <p><b>Resource standard</b></p> <p><i>Recently purchased library collection</i></p> <p>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100.</p>         | 37.70%            | 36.43%            | 33.47%            | 33.15%            | 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>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</p> | 10.82%            | 9.16%             | 8.05%             | 7.27%             | 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 has been steadily declining. |

|  |         |         |         |         |   |
|--|---------|---------|---------|---------|---|
| <p><b>Service cost</b></p> <p><i>Cost of library service per population</i></p> <p>[Direct cost of the library service / Population]</p>   | \$28.49 | \$25.70 | \$24.52 | \$22.57 |   |
| <p><b>MATERNAL AND CHILD HEALTH (MCH)</b></p> <p><b>Service standard</b></p> <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% | 102.08% | 107.69% | 100.00% | Every child born in the LGA during 2022/23 was enrolled in the MCH service.   |
| <p><b>Service cost</b></p> <p><i>Cost of the MCH service</i></p> <p>[Cost of the MCH service / Hours worked by MCH nurses]</p>   | \$62.81 | \$70.07 | \$69.78 | \$64.90 |   |
| <p><b>Participation</b></p> <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>  | 80.30%  | 85.50%  | 75.83%  | 89.13%  | 242 children attended the service at least once during 2022/23. The participation rate was higher than in previous years. |

|   |         |         |         |         |  |
|---|---------|---------|---------|---------|--|
| <b>Participation</b>  |         |         |         |         |  |
| <i>Participation in the MCH service by Aboriginal children</i><br><br>[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 | 100.00% | 100.00% | 84.62%  | 91.67%  | 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 12 children who registered with the service. |
| <b>Satisfaction</b>   |         |         |         |         |  |
| <i>Participation in 4-week Key Age and Stage visit</i><br><br>[Number of 4-week key age and stage visits / Number of birth notifications received] x100   | 102.17% | 93.75%  | 100.00% | 111.11% | More infants received a 4-week key age and stage visit than the number of birth notifications received by the service.   |

## 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 | Draft plans being considered in September 2023   |
| 2.2                        | Undertake place-based master planning for the Mitta Valley, Corryong and Tallangatta  | In Progress | Draft plans being considered in September 2023   |
| 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            | Ongoing     | <i>Sport and Recreation Strategy</i> adopted and supported by precinct masterplans. Tallangatta Neighbourhood House continued to grow.   |
| 2.5                        | Review opportunities for communities to access library resources and connect through libraries  | Ongoing     | A range of programs and activities have been regularly offered at both libraries throughout the year.  |

| Initiatives and Priorities |   | Status      | Comment   |
|----------------------------|---|-------------|---|
| 2.6                        | Develop a strategy for arts and cultural offerings across the Shire   | Not Started | Future start date to be scheduled.  |
| 2.7                        | Expand and improve early years services across the Shire to support young families  | Ongoing     | Upgrade to outdoor play space at Bellbridge Early Years Centre completed.   |
| 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     | A multi agency Housing Forum is scheduled for Corryong to review and identify actions and responsibilities.   |
| 2.10                       | Encourage the establishment of innovative, sustainable transport solutions for remote communities   | Ongoing     | Transport options are limited and can depend heavily on external funding or sustainable commercial investment.  |
| 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 | Ongoing     | Council celebrated IDAHOBIT Day this year to mark the International Day Against Homophobia, Inter-sex Phobia, and Trans Phobia, as a means of support to the LGBTIQ+ community members across the Shire.  |
| 2.12                       | Build relationships and develop understanding of aboriginal people and consider the commitment to an ongoing reconciliation action plan process                           | Ongoing     | Council conducted Cultural Awareness Training programs for staff and maintained connections with the Dудароhа Dargal traditional owners.  |
| 2.13                       | Participate in key networks to support communities and key stakeholders on solutions to address family violence, suicide and mental health                                | Ongoing     | Council participated in Tallangatta and Corryong Family Violence Networks and activities  |
| 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 continued development of Community Emergency Management Plans across the Shire and implemented a suite of bushfire and flood recovery activities and programs.  |

### 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>  |

It was an enormous year for economic development across the municipality, particularly for tourism. In July 2022, the State Government launched their *Investment Fast-Track Fund* (IFF). The IFF supports the planning and preparation of regional and rural development project proposals. Successful Investment Fast-Track Fund bids were announced in October 2022, and Council secured \$324,495 for the Bellbridge Boathouse planning preparation to make the project shovel-ready. The State Government also announced successful *Enabling Tourism Fund* applications from which Council secured \$108,000 to produce a masterplan for the future Mount Elliot. The bulk of this planning piece was completed.

Across the year, the ongoing delivery of Stage Two of the Great River Road Project continued. Excitingly, four artists were selected through a competitive design process to deliver key sculptures across four wayside stops in Bellbridge, Talgarno, Pine Mountain and Towong.

Throughout the year, several critical masterplans were released for community feedback, including the *High Country Rail Trail Masterplan*, *Agriculture Strategic Plan* and *Mobile and Internet Communications Strategy*. The draft *Activating Lake Hume Masterplan* was completed.



Support was provided to Mitta Valley Inc to continue progressing the proposed *Mitta Valley Mountain Bike Park*. The inaugural *Mitta Valley Gravel Unravel* was successfully hosted, and youth mountain bike skills development programs delivered in the Upper Murray.

A series of events, aimed at delivering positive social and/or economic outcomes, were rolled-out across the Shire. Events included the *Evolvefest Battle of the Bands*, community movie nights, and the *Festival of Small Halls*. The *Tallangatta Station parkrun* was launched and continues to be embraced by residents and visitors each Saturday morning.

The *Upper Murray Tourism and Business Expo* was delivered for the third consecutive year, 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. In addition, small businesses were supported through a range of capacity building workshops.

Work commenced on the new shire-wide destination website, and a revitalised *Upper Murray Visitors Guide* was produced. The Corryong Visitor Information Centre fielded 9,955 walk-in and 822 phone visitor enquiries. The Centre's staff and volunteers proudly hosted the Victoria's High Country Volunteer Summit.

In addition to tourism, work continued to support the Agricultural community.

One of the most significant recent developments is the partnership established with Riverine Plains to support the Agriculture Officer role that became vacant in April. This partnership is poised to bring numerous benefits to our local agricultural community, including:

- **Access to Research and Development:** Local producers will gain access to the latest agricultural research and development findings, allowing them to adopt cutting-edge practices.
- **Workshop Opportunities:** Riverine Plains will provide opportunities for local farmers to participate in workshops, training sessions, and knowledge-sharing events.
- **Enhanced Networking:** The partnership will facilitate networking opportunities for local farmers to connect with experts and peers in the industry.
- **Improved Sustainability:** Through the collaboration with Riverine Plains, our agricultural community can work toward greater sustainability and resilience.

## Strategic indicators

| Indicator                  | Target                         | Result<br>21/22 | Result<br>22/23 | Result<br>23/24 | Target<br>Reached |
|----------------------------|--------------------------------|-----------------|-----------------|-----------------|-------------------|
| Number of businesses       | Increased number of businesses | 925<br>baseline | ↑11             |                 | Yes               |
| Shire GRP and per industry | Increased GRP                  | \$311 mil       | \$349.1m        |                 | Yes               |
| Number of visitors         | Increased number of visitors   | 3,527,000       | \$5,490,000     |                 | Yes               |

|                                       |                             |          |          |     |
|---------------------------------------|-----------------------------|----------|----------|-----|
| Spend per visitor                     | Increased spend per visitor | \$327.00 | \$432.78 | Yes |
| Diversification of agriculture sector | Increased diversification   | 5.37%    | 8.8%     | Yes |

## 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.  |
| 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. Secured funding to undertake planning for Mount Elliot and provided ongoing support to the 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     | Secured 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 finalised and released for community consultation.  |
| 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. Recovery funding has been budgeted for works to be undertaken at the Cudgewa Railway site.  |
| 3.11 | Establish new annual cycling events in the Mitta Valley and Upper Murray   | In Progress | Mitta Valley Gravel Unravel delivered in December 2022. Secured additional funding for gravel maps through Tourism North East.   |
| 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     | 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 draft plan developed for Lake Hume.   |
| 3.14 | Seek funding to develop and expand the tourism opportunities at Dartmouth Dam  | Ongoing     | Funding sought to deliver a Lake Banimboola Masterplan.  |
| 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     | Rebranding complete and awaiting launch. Ongoing collaboration with Tourism North East to deliver new destination websites.  |
| 3.18 | Expand the reach of tourism marketing and promotional materials  | Ongoing     | Launched 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 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 | Continued collaboration with Upper Murray Inc. to support the identification of industry opportunities as part of the native forestry transition.   |
| 3.22 | Explore opportunities to activate the Corryong Aerodrome   | Ongoing     |   |
| 3.23 | Work with Upper Murray Inc to deliver outcomes from the UM2030 Plan  | Ongoing     | Continuing 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     | Approved applications for new towers in Koetong and Burrowye. Ongoing support to deliver last mile technology, backup power and NBN to all valleys and halls throughout the municipality. |

## 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.

|                   |   |
|-------------------|---|
| <b>Highlights</b> | <ul style="list-style-type: none"> <li>• Commenced placemaking projects to support the 10-year vision of how towns should look and feel.</li> <li>• Commenced structure plans for Corryong and Bellbridge</li> <li>• Commenced bushfire study for Mitta Mitta.</li> <li>• Continued the successful operation of the rebuild support service for properties impacted by the Black Summer Bushfires.</li> </ul>   |
| <b>Challenges</b> | <ul style="list-style-type: none"> <li>• The 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> <li>• Implementation of the State Governments windfall gains tax policy and the potential to have adverse effects on housing developments</li> </ul> |

This year, some significant projects commenced that will reform the way our townships look now and into the future. One of the most significant projects is Our Towns towards 2030. Our Town towards 2030 aims to strengthen the long-term resilience and sustainability of the towns by helping each community identify and prioritise its future needs, services, and opportunities. The project supports the community by providing input into how growth and change could be carefully and positively managed. The project resulted in town-based place plans for Bellbridge, Bethanga, Mitta Mitta, Corryong, and Tallangatta, as well as a shared set of goals and initiatives that could be developed and delivered over the next 10 years.

Strategic land use projects also commenced for Corryong, Bellbridge, and Mitta Mitta. These projects were designed to project future land use options for the towns. Bellbridge and Corryong Structure Plans aimed to provide a long-term framework to guide development in and around each of the centers. Mitta Mitta, due to bushfire risk, had commenced the first stage of the structure plan review process with a bushfire study. This was to ascertain a safe level of development within Mitta Mitta to support the expanding visitor economy.

To align the strategic land use projects and the Our Towns towards 2030 project, work was and continued to be delivered through a collaborative model that aligned the strategic land use projects and the Our Towns towards 2030 project. This resulted in place plans driving the 10-year vision for the

town, with the land use planning documents underpinning how places could develop to support this vision. Although the projects were focused on the next ten years, there was a 50-year outlook within each plan to support long-term infrastructure planning.

The rebuild support service continued to operate successfully for the third year. The service supported people who were impacted by the Black Summer Bushfires of 2019-2020 to rebuild all damaged buildings and structures. The service covered the fees of all permits associated with planning, building, and septic and provided advice on additional rebates available.

Significant effort was placed on advocating for the rezoning of parts of the rural activity zone to the rural living zone to support additional housing. With the implementation of the windfall gains tax, landowners of rural activity zone land that was rezoned to a rural living zone would be liable to pay the new tax. Council investigated the opportunity to reduce the minimum lot size for subdivisions in the rural activity zone to support additional housing as well as continued to advocate for the need for increased housing supply.

### Strategic indicators

| Indicator                                  | Target   | Result<br>21/22 | Result<br>22/23 | Result<br>23/24 | Target<br>Reached |
|--|--|-----------------|-----------------|-----------------|-------------------|
| Customer satisfaction (post interaction)   | Increased level of satisfaction*                     | N/A             | 60%             |                 | N/A*              |
| Time taken to decide planning applications | Within Statutory Time Limits                         | 74 Days         | 47 Days         |                 | No                |
| Residential building activity              | Increased number of certificates of occupancy issued | 41              | 89              |                 | Yes               |

\*2022/23 first year of data collection

### Service performance indicators

| Indicator   | Result<br>2019/20 | Result<br>2020/21 | Result<br>2021/22 | Result<br>2022/23 | Comments  |
|---|-------------------|-------------------|-------------------|-------------------|---|
| <b>STATUTORY PLANNING</b>   |                   |                   |                   |                   | The time taken to decide planning applications is significantly less than the previous year. A total of 104 Planning applications were decided in 2022/23 compared to 127 in 2021/22, 91 in 2020/21 and 102 in 2019/20. |
| <b>Timeliness</b>   |                   |                   |                   |                   |   |
| <i>Time taken to decide planning applications</i>   | 25.00             | 45.00             | 74.50             | 47.00             |   |
| [The median number of days between receipt of a planning application and a decision on the application] |                   |                   |                   |                   |   |

|   |            |            |            |            |  |
|---|------------|------------|------------|------------|--|
| <b>Service standard</b>   |            |            |            |            | The percentage of applications decided within the required time frame has slightly improved compared to the previous year. The lower result in 2021/22 was due to a number of lapsed permits for which insufficient information had been provided to complete the permit decision. |
| <i>Planning applications decided within required time frames</i>  | 82.35%     | 75.82%     | 53.54%     | 58.65%     |  |
| [(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 |            |            |            |            |  |
| <b>Service cost</b>   |            |            |            |            | The cost of statutory planning has decreased in 2022/23 and is now in line with the long term average. It was high 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.           |
| <i>Cost of statutory planning service</i>   | \$1,794.87 | \$2,601.04 | \$4,970.66 | \$1,986.07 |  |
| [Direct cost of the statutory planning service / Number of planning applications received]  |            |            |            |            |  |
| <b>Decision making</b>  |            |            |            |            | There were no VCAT planning decisions for 2022/23.   |
| <i>Council planning decisions upheld at VCAT</i>  | 100.00%    | 100.00%    | 0.00%      | 0.00%      |  |
| [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                         |            |            |            |            |  |
| <b>FOOD SAFETY</b>  |            |            |            |            | There was 1 food complaint received in 2022/23. This compares to 1 in 2021/22; 1 in 2020/21 and 2 in 2019/20.  |
| <b>Timeliness</b>   |            |            |            |            |  |
| <i>Time taken to action food complaints</i>   | 1.00       | 1.00       | 1.00       | 1.00       |  |
| [Number of days between receipt and first response action for all food complaints / Number of food complaints]  |            |            |            |            |  |
| <b>Service standard</b>   |            |            |            |            | Food safety assessments have been undertaken for all registered premises across the reporting periods.   |
| <i>Food safety assessments</i>  | 100.00%    | 100.00%    | 100.00%    | 100.00%    |  |
| [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 |            |            |            |            |  |
| <b>Service cost</b>   |            |            |            |            | Towong Shire had 85 registered premises in 2022/23. This compared to 95 in 2021/22; 89 in 2020/21; and 89 in 2019/20. These premises are widely dispersed throughout the Shire (over 6,635 square kilometres). |
| <i>Cost of food safety service</i>  | \$1,062.73 | \$1,035.44 | \$1,058.17 | \$2,290.53 |  |
| [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]  |            |            |            |            |  |
| <b>Health and safety</b>  |            |            |            |            | There were two critical or major non-compliance outcome notifications issued in 2022/23. This compares to eleven in 2021/22; one in 2020/21; and three in 2019/20. All notifications were followed up.         |
| <i>Critical and major non-compliance outcome notifications</i>  | 100.00%    | 100.00%    | 100.00%    | 100.00%    |  |
|   |            |            |            |            |  |

## 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 to support property owners to rebuild after the 2019-20 Black Summer bushfires.                 |
| 4.2                        | Establish a Developer Contributions Policy and a Minimum Social Infrastructure Requirements Policy        | Not Started | Individual negotiations with Developers will be pursued rather than the development of a contributions policy.                               |
| 4.3                        | Develop structure plans for Corryong, Tallangatta and Bellbridge and incorporate into the planning scheme | In Progress | Draft Structure Plans for Corryong, Tallangatta and Bellbridge have been developed. They are due for release to the community in early 2024. |
| 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     | Advocacy has continued to support growth outside of key townships. We are currently investigating the options                                |



|       |  |             |  |
|-------|--|-------------|--|
|       |  |             | of reducing the minimum lot size for subdivisions in the Rural Activity Zone.  |
| 4.6   | Review the Rural Land Use Study  | Not Started | Future start date scheduled.   |
| 4.7   | Review the Schedule to the Rural Activity Zone   | In Progress | We are currently investigating the options of reducing the minimum lot size for subdivisions in the Rural Activity Zone.   |
| 4.8   | Advocate for changes to the farming zone to allow for a second residence to enable succession planning | Ongoing     | Amendment VC202 (October 2021) introduced and modified 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.

|                          |  |
|--------------------------|--|
| <p><b>Highlights</b></p> | <ul style="list-style-type: none"> <li>• Commitment to move to a four stream waste model including a food and garden organics kerbside collection service.</li> <li>• Adoption of a Climate Adaptation Action Plan</li> <li>• Upgrades to retaining walls at Corryong and Tallangatta Resource Recovery Centre's</li> <li>• Secured \$20,000 in funding to review Council's Domestic Wastewater Management Plan and create a map of the Shire's existing septic tanks</li> </ul> |
| <p><b>Challenges</b></p> | <ul style="list-style-type: none"> <li>• Increased cost of landfill operational compliance</li> <li>• Offsite disposal of leachate required due to heavy rainfall</li> <li>• Recruitment of staff to provide these services has been challenging</li> </ul>  |

This year, the environment and sustainability portfolio had a key focus on waste reform and the adoption of a Climate Adaptation Action Plan.

The adoption of a four-stream waste model by all Victorian Local Governments was a requirement under the State Government's Circular Economy initiative aimed at reducing waste to landfill and improving the quality of recycled materials produced for reuse. In preparation, Council conducted a community consultation process that addressed factors driving service decisions, including cost and convenience, as well as knowledge gaps in waste sorting. In March 2023, Council committed to commencing the four-stream service in early 2024 and delivered a community education program in the preceding months.

As part of these waste reforms, Council elected to close the Corryong Landfill no later than June 2024 while continuing to operate the resource recovery center and waste transfer station. This decision was driven by the need to establish a new landfill cell and a new leachate pond at the site, resulting in an increase in waste management charges to residents.

Supported by the State Government's Transfer Station Upgrade Fund, the resource recovery station upgrades, which included the accommodation of skip bins for glass and Food Organics and Garden

Organics (FOGO) drop-off, were completed, along with upgrades to the retaining walls at the Corryong and Tallangatta Resource Recovery Centres.

We adopted a Climate Adaptation Action Plan that charted a pathway for Council to reduce its emissions over the next decade. Landfill was the greatest source of emissions within Council's corporate inventory, accounting for 75% of total emissions. The diversion of food and organic matter from landfill through a dedicated collection service as part of the four-stream waste model was estimated to achieve a 30% reduction in Council's waste emissions.

Across the Shire, there were significant areas of pine plantations located in state forest and on private land. Where timber harvesting operations occurred in plantations and native forests on private land, Council was responsible for ensuring compliance with these activities, as timber production was a defined land use in the Victorian Planning Provisions and associated planning schemes. In the period from July 1 to December 31, 2022, 551.5 ha of plantation timber were harvested. Major harvesting operations included those conducted by Hancock Victorian Plantations in the Shelley Railway and Koetong (Emu) areas. Our tree planting strategy progressed with a total of 181 plantings in Cudgewa, Corryong, Tintaldra, and Colac Colac.

## Strategic indicators

| Indicator   | Target  | Result<br>21/22        | Result<br>22/23        | Result<br>23/24 | Target<br>Reached |
|---|---|------------------------|------------------------|-----------------|-------------------|
| Kerbside bin collection requests per 1,000 households                   | Reduced number of requests*                                   | 54 <sup>^</sup>        | 114                    |                 | No                |
| Kerbside collection bins missed per 10,000 households                   | Reduced number of bins missed*                                | 36                     | 45                     |                 | No                |
| Organisational carbon emission  | Reduced carbon emission**                                     | 5,569 tCO <sub>2</sub> | 3,842 tCO <sub>2</sub> |                 | Yes               |
| Kerbside recycling separation quality (contamination)                   | Improved separation quality (reduced levels of contamination) | 7.8%                   | 7.8%                   |                 | No                |
| Kerbside recycling separation participation rates (amount of recycling) | Increased participation rates (amount of waste recycled)      | 26.4%*                 | 24.9%**                |                 | No                |
| Increased use of recycled materials in infrastructure projects          | Increased use of recycled materials*                          | 780.4kg ***            | 119.7kg                |                 | Yes               |

<sup>^</sup> Correction: this result was incorrectly reported last year as 518 as a result of an error in calculation

\* Internal data collection - Kerbside audit report 2021

\*\* Internal data collection - Average bin weights 22\_23 Bin Count spreadsheet

\*\*\* Reclaimed material (pine dust and plastic bottles).

## Service performance indicators

| Indicator  | Result<br>2019/20 | Result<br>2020/21 | Result<br>2021/22 | Result<br>2022/23 | Comments   |
|--|-------------------|-------------------|-------------------|-------------------|--|
| <b>WASTE COLLECTION</b><br><br><b>Satisfaction</b><br><br><i>Kerbside bin collection requests</i><br><br>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000 | 133.13            | 117.47            | 170.06            | 165.79            | Bin collection requests for per household for 2022/23 (504) for garbage and recycling collection were slightly less than 2021/22 (518).  |
| <b>Service standard</b><br><br><i>Kerbside collection bins missed</i><br><br>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000 | 2.42              | 2.53              | 1.52              | 6.32              | There were 150 bins missed in 2022/23 compared to 36 bins missed in 2021/22; 62 bins missed in 2020/21 and 59 in 2019/20. Council's kerbside collection service lifts approximately 240,000 individual bins each year. |
| <b>Service cost</b><br><br><i>Cost of kerbside garbage bin collection service</i><br><br>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]                               | \$212.12          | \$222.77          | \$246.84          | \$170.24          | Cost savings have been achieved due to the restoration of the Corryong landfill site which was damaged during the 2019/20 bushfires.   |
| <b>Service cost</b><br><br><i>Cost of kerbside recyclables collection service</i><br><br>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]                       | \$101.37          | \$98.33           | \$123.42          | \$107.85          | The cost of collecting recyclables from kerbside bins is in line with previous years.  |

|   |         |         |         |         |  |
|---|---------|---------|---------|---------|--|
| <p><b>Waste diversion</b></p> <p><i>Kerbside collection waste diverted from landfill</i><br/>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>  | 25.75%  | 20.82%  | 48.62%  | 30.81%  | The total amount of garbage and recyclables collected by Council in 2022/23 was 1,725.16 tonne. 531.54 tonne of this waste was recyclables which were sent to a recycling facility in Melbourne.   |
| <p><b>ANIMAL MANAGEMENT</b></p> <p><b>Timeliness</b></p> <p><i>Time taken to action animal management requests</i><br/>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</p> | 3.30    | 1.95    | 2.54    | 2.60    | 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. There were 167 animal management requests compared to 140 requests in the previous year. |
| <p><b>Service standard</b></p> <p><i>Animals reclaimed</i><br/>[Number of animals reclaimed / Number of animals collected] x100</p>   | 28.57%  | 37.50%  | 54.55%  | 6.67%   | Only one of the 15 registratable animals collected during the 2022/23 year was reclaimed.  |
| <p><i>Animals rehomed</i><br/>[Number of animals rehomed / Number of animals collected] x100</p>  | 57.14%  | 37.50%  | 36.36%  | 20.00%  | Three of the 15 registratable animals collected during the 2022/23 year were rehomed.  |
| <p><b>Service cost</b></p> <p><i>Cost of animal management service per population</i><br/>[Direct cost of the animal management service / Population]</p>   | \$15.00 | \$17.39 | \$17.20 | \$19.49 | The cost of managing the animal management service is 13% higher (on a per capita basis) than the previous year.   |

|   |       |       |       |       |   |
|---|-------|-------|-------|-------|---|
| <b>Health and safety</b>  |       |       |       |       | There have been no animal management prosecutions in 2022/23. |
| <i>Animal management prosecutions</i><br>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100 | 0.00% | 0.00% | 0.00% | 0.00% |   |

## 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     | Secured funding and commenced work into a review of Domestic Waste Water Plan and mapping of septic tanks across the Shire.                                       |
| 5.2 Advocate for reticulated potable water in Bethanga and Mitta Mitta   | Ongoing     | Consultation with Mitta Mitta community and conversations with North East Water continued.  |
| 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 have included design elements for water sensitive urban design.                                     |
| 5.4 Seek funding to explore options for the establishment of a recycling industry  | Not started | Future start date scheduled.  |
| 5.5 Improve the use of recycled materials in infrastructure projects e.g., crushed concrete, glass and rubber  | Ongoing     | New outdoor dining installed across the Shire included approximately 1617 recycled plastic milk bottles and nearly 90kg kilograms of reclaimed pine dust.         |
| 5.6 Investigate and implement options for the management of roadside vegetation for fire mitigation  | Not started | Future start date scheduled.  |
| 5.7 Advocate for the establishment of roadside clearances on arterial roads for emergencies  | In Progress | Continued discussions with VicRoads for use of stack sites on Murray Valley Highway and conducted inspections of proposed sites between Tallangatta and Corryong. |
| 5.8 Continue to implement noxious weed control and monitoring along roadsides within available funding   | In Progress | Roadside weed spraying completed in April 2022.   |
| 5.9 Continue to implement the tree planting strategy to achieve 40% canopy coverage in urban streets by 2025   | In Progress | Planning for additional planting continues.   |

|      |  |             |  |
|------|--|-------------|--|
| 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  | Complete    | Electric vehicle charging stations installed in Corryong and Walwa (150km from Wodonga).   |
| 5.12 | Develop a climate change action plan (including actions to reduce carbon emissions, electric vehicle charging, etc)  | Complete    | Climate Adaptation Action Plan adopted in May 2022.  |
| 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 | Four stream waste model adopted and scheduled for commencement in early 2024 with communication and education campaign to precede this.  |
| 5.14 | Invest in community education programs and a waste services survey to improve waste and recycling separation   | In Progress | Planning stage has commenced for the development and delivery of community education program.  |
| 5.15 | Investigate options for hard waste, greenwaste and agricultural waste management e.g silage wrap   | In Progress | Four stream waste model will include kerbside collection of food and organics as well as green waste.  |
| 5.16 | Replace the retaining wall at the Tallangatta Transfer Station   | In Progress | Funding secured via the State Government's Transfer Station Upgrade Fund with works nearing completion.  |
| 5.17 | Investigate options for the future of the Corryong Landfill  | Complete    | Following the investigative process the decision has been made to close the Corryong Landfill no later than June 2024 while continuing to operate the resource recovery centre and waste transfer station. |
| 5.18 | Implement required measures to ensure management of closed landfills is compliant with EPA requirements  | Complete    | Closed landfill inspections are complete.  |

## 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.

|                   |  |
|-------------------|--|
| <b>Highlights</b> | <ul style="list-style-type: none"> <li>• We finished the financial year in a strong position, with grant income for several initiatives being received in advance.</li> <li>• Secured funding to support the implementation of a new software program to facilitate planning and building services.</li> <li>• Delivered two series of leadership programs to staff across service areas and committed to an additional series in 2023/24.</li> <li>• Continued to improve systems and process across a range of business functions including customer service, communications and finance.</li> </ul> |
| <b>Challenges</b> | <ul style="list-style-type: none"> <li>• A challenging recruitment environment leading to vacancies across key positions resulted in the delays to the completion of some projects.</li> </ul>   |

This year, we made substantial progress across a range of governance, communications, and financial initiatives in the corporate and organisational development portfolio. We appointed two new members to the Audit and Risk Committee, which bolstered the committee's skills in the areas of Risk Management, OH&S, and IT security. Collectively, it provides a comprehensive skill set to assist Council in the effective conduct of our responsibilities in financial reporting, management of risk, maintenance of a reliable system of internal controls, and facilitation of the organisation's ethical development.

Following a period of dedicated recruitment, the securing of additional resources in the areas of finance and governance was instrumental in meeting compliance and legislative requirements. In addition, it also resulted in the development of efficiencies in budget and reporting preparations, as well as support for the broader organisation in meeting these requirements. We conducted a comprehensive review of processes supporting the Corryong Cemeteries Trust to ensure both compliance and improved service delivery.



Good progress was made in response to the OHS Management System Audit. We conducted risk assessments and subsequent follow-up actions to reduce risks related to two major capital works projects at the Corryong Saleyards and Corryong Aerodrome to ensure that the facilities were safe for near-term intended uses. We also focused on reviewing Council's obligations and requirements in accordance with the newly updated Child Safe Standards.

Following a number of temporary measures in response to COVID-19 measures, we adopted changes to our Governance Rules to enable participation in Council Meetings by electronic means on an ongoing basis. The changes were developed with guidance from Local Government Victoria and (law firm) Maddocks and will provide flexibility to enable Councillors to attend Council Meetings by electronic means in case they are unable to attend in person.

In January 2022, we launched Council's first e-newsletter as an additional means to keep community members abreast of Council news, project updates, and events. The newsletter was well received, with subscriber numbers increasing by 132% since its establishment. In addition, we developed an updated suite of collateral, including advertising, onsite signage, marketing material, and digital assets, which assisted in strengthening Council's presence in the media.

We conducted dedicated community consultation processes on a range of significant project and service areas, including the Corryong CBD Streetscape upgrade, the introduction of a four-stream waste service model, *Our Towns towards 2030*, the *High Country Rail Trail Masterplan*, *Agriculture Strategic Plan* and *Mobile and Internet Communications Strategy*.

Improvements to customer experience remained a priority with the establishment of internal service agreements forming the basis of new training and induction material designed to build corporate knowledge and understanding for newly recruited officers. We also commenced the development of targeted reports with the intent of providing an evidence base for continuous improvement in customer experience.

This year, one of our key advocacy approaches included a Cr Whitehead and Chief Executive Officer, Juliana Phelps traveling to Canberra to meet with Minister Kristy McBain - Minister for Local Government and Regional Development and Minister for Early Childhood Minister Anne Aly. High on the agenda was increased funding for road maintenance (see below for more details on how we're investing in our local road network), the need for additional early years services for the Upper Murray and tourism opportunities with the future development of the Bellbridge Boathouse.

## Strategic indicators

| Indicator   | Target                          | Result<br>21/22 | Result<br>22/23 | Result<br>23/24 | Target<br>Reached |
|---|---------------------------------|-----------------|-----------------|-----------------|-------------------|
| Community satisfaction with community consultation and engagement | Increased level of satisfaction | 54              | 53              |                 | No                |
| Community satisfaction with Council decisions                     | Increased level of satisfaction | 54              | 52              |                 | No                |
| Community satisfaction with customer service                      | Increased level of satisfaction | 58              | 56              |                 | No                |

|   |                                 |        |        |     |
|---|---------------------------------|--------|--------|-----|
| Percentage of customer requests resolved within target service levels | Increased percentage            | 55.58% | 53.77% | No  |
| Number of business improvements                                       | Five (5) improvements per annum | 11     | 8      | Yes |
| Percentage of staff who agree that Council is a great place to work   | Increased percentage            | 45%    | N/A*   | N/A |

\* Sample size not statistically significant for result to be recorded.

### Service performance indicators

| Indicator   | Result 2019/20 | Result 2020/21 | Result 2021/22 | Result 2022/23 | Comments  |
|---|----------------|----------------|----------------|----------------|---|
| <b>Governance</b><br><br><b>Transparency</b><br><br><i>Council decisions made at meetings closed to the public</i><br>[Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100 | 0.92%          | 0.48%          | 2.37%          | 1.46%          | 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 three resolutions made at meetings closed to the public in 2022/23 compared to six in 2021/22; one in 2020/21; and two in 2019/20. |
| <b>Consultation and engagement</b><br><br><i>Satisfaction with community consultation and engagement</i><br>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]  | 60.00          | 60.00          | 54.00          | 53.00          | 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>Attendance</b></p> <p><i>Councillor attendance at council meetings</i></p> <p>[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</p> | 90.67%      | 92.86%      | 97.65%      | 95.56%      | <p>The result recognises Councillor attendance at Council meetings. Formal granting of leave of absence is obtained when a Councillor is unable to attend.</p>   |
| <p><b>Service cost</b></p> <p><i>Cost of elected representation</i></p>   | \$40,947.60 | \$35,454.78 | \$39,043.23 | \$43,267.68 | <p>Local Government elected officials received an allowance increase effective 18 December 2022 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 2023.</p> |
| <p><b>Satisfaction</b></p> <p><i>Satisfaction with council decisions</i></p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>  | 63.00       | 60.00       | 54.00       | 52.00       | <p>Council's performance is in line with the average for Small Rural Councils as well as the overall Statewide Council average for Victoria.</p>   |

## 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     | Substantial community engagement was undertaken in relation to the major plans and projects affecting the community. A fortnightly newsletter was launched to improve ways of communicating Council news and events.  |
| 6.2 Continually improve customer service experience across the organisation  | Ongoing     | Achievements included the development of internal training material to build corporate knowledge of new staff quickly and efficiently and a increasing the number of customer requests resolved at first contact.   |
| 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 budget reporting by department, 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. We continue to investigate opportunities for improved IT to assist in delivery of human resource services to the organisation.                           |
| 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, resilient, engaged and cohesive organisation | Complete    | Adopted a revised Recruitment Policy, an updated Employee Code of Conduct and a Workforce Plan in January 2022.   |
| 6.7 Provide a safe and healthy workplace for all Councillors and staff in a continually evolving environment   | Ongoing     | Follow up actions as a result of the 2021 independent audit of the OHS Management System continue with a focus on active work sites including Corryong Aerodrome and Corry CBD Streetscape upgrade.   |
| 6.8 Continue to seek opportunities to improve service delivery and achieve best value including further investigation of shared services                 | Ongoing     | We have maintained shared services with Indigo Shire Council in Rates, Building and Planning, and we continue to work closely with Alpine   |

|      |  |             |  |
|------|--|-------------|--|
|      |  |             | and Indigo Shire Councils in areas of ongoing development ie IT strategy.  |
| 6.9  | Continue to advocate for increased government funding support to ensure long term sustainability | Ongoing     | Advocacy at a Federal level centered on a Parliamentary visit in May 2023 and a State level Council met with both Ministers and State Members.   |
| 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

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 2022/23 year Council held the following meetings:

- Twelve (12) ordinary council meetings
- Six (6) special council meetings.

### Committees

In 2022/23 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.

Since the introduction of the *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         | 30 June 2022 – 17 December 2022 | 18 December 2022 – 30 June 2023 |
|--------------|---------------------------------|---------------------------------|
| Mayor        | \$74,706                        | \$77,933                        |
| Deputy Mayor | \$37,353                        | \$38,967                        |
| Councillor   | \$24,080                        | \$25,147                        |

As at 1 July 2022, Councillors could also claim a remote travel allowance of \$44 per day to attend meetings held more than 50km from their place of residence. The Victorian Independent Remuneration Tribunal adjusted this amount to \$45 per day as at 18 December 2022. 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 2022/23 on behalf of each Councillor.

| Councillor          | Conferences and Training | ICT*           | Travel <sup>^</sup> | Childcare  | Functions and Events | Other       | TOTAL           |
|---------------------|--------------------------|----------------|---------------------|------------|----------------------|-------------|-----------------|
| Cr Aaron Scales     | \$1,427                  | \$0            | \$555               | \$0        | \$0                  | \$0         | \$1,981         |
| Cr Andrew Whitehead | \$250                    | \$340          | \$256               | \$0        | \$0                  | \$0         | \$847           |
| Cr David Wortmann   | \$300                    | \$887          | \$4,978             | \$0        | \$0                  | \$90        | \$6,166         |
| Cr Denise Anderson  | \$0                      | \$223          | \$2,601             | \$0        | \$0                  | \$0         | \$2,914         |
| Cr Pete Dikschei    | \$550                    | \$351          | \$940               | \$0        | \$0                  | \$0         | \$1,841         |
| <b>TOTAL</b>        | <b>\$2,527</b>           | <b>\$1,801</b> | <b>\$9,330</b>      | <b>\$0</b> | <b>\$0</b>           | <b>\$43</b> | <b>\$13,749</b> |

\*Information and Communication Technology.

<sup>^</sup>Inclusive of mileage and accommodation. It is noted that Cr Wortmann doesn't utilise a Council vehicle.

## 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 2022/23 the Audit and Risk Committee met on four (4) occasions 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 2022/23, 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
- Insurances
- Human resources

#### *Internal Audit*

- Internal audit plan
- Records management audit
- OHS management system audit
- IT Security Audit
- Local government investigations

#### *Compliance*

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

## **Audit and Risk Committee Members**

In 2022/23 the Audit Committee was comprised of the Mayor and four independent external members. The external members were as follows:

---

### **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.

---

### **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.

**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.

**Ms Lisa Forsyth**

Ms Forsyth was appointed to the Audit and Risk Committee in July 2022. She brings invaluable experience accumulated throughout various senior corporate and non-for-profit roles. The focus across these roles have included risk and compliance management, audit and assurance, quality management functions and best practice innovation. She is currently the Quality and Risk Manager at Mercy Connected Limited.

**External audit**

Council is externally audited by the Victorian Auditor-General’s Office (VAGO). For the 2022/23 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**

| <b>Governance and management items</b>   | <b>Assessment</b>           | <b>Result</b> |
|--|-----------------------------|---------------|
| <b>1 Community engagement policy</b><br>Policy required by section 55 of the Act outlining Council’s commitment to | Adopted<br>24 February 2021 | Yes           |

|  |   |     |
|--|---|-----|
| engaging with the community on matters of public interest  |   |     |
| <b>2 Community engagement guidelines</b><br>Guidelines to assist staff to determine when and how to engage with the community  | Adopted<br>24 February 2021   | Yes |
| <b>3 Financial Plan</b><br>Plan required by section 91 of the Act describing the resources required to give effect to the Council Plan   | Adopted<br>27 October 2021  | Yes |
| <b>4 Asset Plan</b><br>Plan required by section 92 of the Act describing information about each class of infrastructure under the control of Council                                     | Adopted<br>25 January 2023  | Yes |
| <b>5 Revenue and Rating Plan</b><br>Plan required by section 93 of the Act describing Council's funding sources  | Adopted<br>23 June 2021   | Yes |
| <b>6 Annual Budget</b><br>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<br>28 June 2023   | Yes |
| <b>7 Risk policy</b><br>Policy outlining Council's commitment and approach to minimising the risks to Council's operations   | Current policy in operation<br>27 April 2022  | Yes |
| <b>8 Fraud policy</b><br>Policy outlining Council's commitment and approach to minimising the risk of fraud  | Current policy in operation<br>9 December 2020  | Yes |
| <b>9 Municipal emergency management plan</b><br>Plan under section 60ADB of the <i>Emergency Management Act 2013</i> for emergency mitigation, response and recovery                     | Prepared and maintained in accordance with section 60ADB of the <i>Emergency Management Act 2013</i><br>3 December 2019 | Yes |
| <b>10 Procurement policy</b><br>Policy under section 108A of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services            | Current policy in operation<br>28 June 2023   | Yes |
| <b>11 Business continuity plan</b><br>Plan setting out the actions that will be undertaken to ensure that key services   | Current plan in operation<br>30 July 2018   | Yes |

|  |  |     |
|--|--|-----|
| continue to operate in the event of a disaster   |  |     |
| <b>12 Disaster recovery plan</b>   | Current plan in operation  | Yes |
| Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster   | 30 July 2018   |     |
| <b>13 Risk management framework</b>  | Current framework in operation   | Yes |
| Framework outlining Council's approach to managing risks to the Council's operations   | 23 February 2022   |     |
| <b>14 Audit and Risk Committee</b>   | Established  | Yes |
| 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 | 1 September 2020   |     |
| <b>15 Internal audit</b>   | Internal auditors engaged to perform IT Security 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. | Yes |
| Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls  |  |     |
| <b>16 Performance reporting framework</b>  | Current framework in operation   | Yes |
| A set of prescribed indicators required by section 98 of the Act measuring financial and non-financial performance   | 1 July 2020  |     |
| <b>17 Council Plan reporting</b>   | Conducted quarterly  | Yes |
| Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators  |  |     |
| <b>18 Financial reporting</b>  | Conducted quarterly  | Yes |
| Quarterly report required by section 97 of the Act comparing actual and budgeted results to date with an explanation of variances  |  |     |
| <b>19 Risk reporting</b>   | Reported bi-monthly  | Yes |
| Six-monthly reports of strategic risks to Council's operations, their likelihood and   |  |     |

|   |  |     |
|---|--|-----|
| consequences of occurring and risk minimisation strategies  |  |     |
| <b>20 Performance reporting</b><br>Six-monthly reports of indicators measuring the results against financial and non-financial performance                                    | Reported six monthly   | Yes |
| <b>21 Annual report</b><br>Annual report required by section 98 of the Act containing a report of operations of the Council, and audited performance and financial statements | Presented at a meeting of Council<br>26 April 2022   | Yes |
| <b>22 Councillor Code of Conduct</b><br>Code required by section 139 of the Act including the standards of conduct expected to be observed by Councillors                     | Reviewed and adopted in accordance with the requirements of the <i>Local Government Act 2020</i><br>24 February 2021 | Yes |
| <b>23 Delegations</b><br>A document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff      | Reviewed<br>21 November 2022   | Yes |
| <b>24 Meeting procedures</b><br>Governance Rules required by section 60 of the Act outlining the conduct of Council meetings  | Current rules in operation<br>28 September 2022  | Yes |

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



Juliana Phelps

Chief Executive Officer

Date: 14 November 2023



Cr Andrew Whitehead

Mayor

Date: 14 November 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*.

### Information Privacy

Council values the treatment of personal and health information and acknowledges its obligations primarily under the *Privacy and Data Act 2014* and *Health Records Act 2001*. The legislation prescribes numerous information privacy and data protection principles that Council is required to comply with to ensure information is safely collected, stored and disclosed through Council's administrative and operational processes. Council's privacy policy commenced review in May 2023 and is anticipated to include further detail and modernization of Council's privacy commitments and procedures.

### 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. Additional best value initiatives include the Greenlight Project, which intends to improve the customer service experience for planning permit applications through better access to planning information whilst a permit is still being processed.

### 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

Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process in accordance with the Procurement Policy. Two contracts required procedural exemption through resolution in a Council meeting due to emergency works required, both resulting from the unforeseen excessive rainfall experienced throughout the municipality. Procurement procedure exemption was sought in November 2022 to replace a culvert damaged by a major storm event, requiring approval for a contract valued at \$308,000 for Murray Valley Piling and other local contractors to perform emergency works. A second procedural exemption was sought in February 2023 for a variation to an existing contract for leachate removal from the Corryong Landfill site. Greenchip Recycling required additional funding to a value of \$230,000 to remove excess leachate from the site, which was caused from excessive rainfall and posed environmental threats towards the community.

A list of Contracts awarded at Council Meetings valued at \$150,000 or over are supplied below for the 2022/23 financial year:

| Project                                   | Contract   | Supplier                        | Value (\$)                      |
|---|--|---------------------------------|---------------------------------|
| Greenlight planning and building system   | implementation and licensing of a planning and building system     | E-Vis Pty Ltd                   | \$468,345 (over 10 year period) |
| PLAYLES HILL (CORYONG)                    | Walking Trails Construction Works                                  | Mouat Mini Diggers              | \$123,640                       |
|   | Viewing Platform Construction                                      | Lyford Engineering              | \$210,000                       |
| Mitta Mitta Streetscape Upgrade - Stage 1 | Mitta Mitta Streetscape Upgrade - Stage 1                          | Jackson's Earthmoving Pty. Ltd. | \$593,272.35                    |
|   | Upgrades to kerb and channel, new footpaths and formalised parking | ATD Civil Group Pty Ltd.        | \$669,624.20                    |

|   |   |   |              |
|---|---|---|--------------|
| Spray Sealing and Associated Services   | Resealing of Council roads  | Sprayline   | \$484,335.77 |
| Bellbridge/Bethanga, Corryong, Mitta Mitta and Tallangatta Placemaking and Township Co-Design Project | Placemaking and Township Co-Design (Community Engagement)             | ClarkeHopkinsClarke Architects Pty Ltd            | \$206,650    |
| Heavy vehicle bypass along the Stock Route in Corryong  | Road Realignment and Construction Works                               | Excell Gray Bruni                                 | \$2,358,467  |
| Wises Creek Road upgrade works  | Section one and section two upgrade works                             | Tallangatta Construction and Maintenance Pty. Ltd | \$1,077,898  |
| Caterpillar 12M grader replacement  | Caterpillar 12M grader replacement                                    | William Adams                                     | \$474,000    |
| Little Snowy Creek Road Bridge and Smythes Road Bridge Reconstruction                                 | Little Snowy Creek Road Bridge and Smythes Road Bridge Reconstruction | Waratah Constructions (Vic) Pty Ltd               | \$1,133,594  |
| Flood Damage Repairs - Towong Shire   | Flood Damage Repairs - Towong Shire Eastern Section                   | Country Wide Asphalt Pty Ltd                      | \$137,690    |
|   | Flood Damage Repairs - Towong Shire Western Section                   | Tallangatta Construction and Maintenance          | \$464,112    |
| The Triangles – Irrigation system upgrade   | The Triangles – Irrigation system upgrade                             | Ocee Pty Ltd                                      | \$75,445.83  |
| Tallangatta Triangles Toilet Block Upgrade  | Tallangatta Triangles Toilet Block Upgrade                            | Barton St. Developments Pty Ltd                   | \$297,959    |
| Footpath Construction - Towong Street East  | Footpath Construction - Towong Street East                            | PDC Contracting Pty Ltd                           | \$165,605    |
| Corryong CBD and Hanson Street Upgrade  | Corryong CBD and Hanson Street Upgrade                                | Excell Gray Bruni Pty Ltd                         | \$4,240,306  |
| Bellbridge Boathouse Design project   | Architecture to deliver design services                               | Four18 Architecture                               | \$233,900    |

## 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.

## **Gender Equality Action Plan**

Council adopted its *Gender Equality Action Plan* in March 2022 in line with the gender equality principles outlined in the *Gender Equality Act 2020*. Since its adoption, In the spirit of the principles defined in section 6 of the Act, Council have to consider and promote gender equality and to take necessary and proportionate action towards achieving gender equality. This includes celebrating IDAHOBIT day on 17 May 2023, commence establishing the framework of an LGBTIQ+ Community Advisory Group, as well as meet with state advocacy groups to discuss further actions Council can consider for future initiatives.

## **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 (FoI)**

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 FOI can be found at [ovic.vic.gov.au](http://ovic.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 2022/23 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 2022/23.

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.

**PERFORMANCE STATEMENT**

**Sustainable Capacity Indicators** - for the year ended 30 June 2023

| <i>Indicator/measure</i> [formula]   | <b>Results</b><br><b>2020</b> | <b>Results</b><br><b>2021</b> | <b>Results</b><br><b>2022</b> | <b>Results</b><br><b>2023</b> | <b>Material Variations</b>  |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---|
| <p><b>Population</b></p> <p><i>Expenses per head of municipal population</i><br/>[Total expenses / Municipal population]</p> | \$3,975.33                    | \$4,046.71                    | \$3,543.06                    | \$4,168.07                    | <p>Higher materials &amp; service costs due to spending of unbudgeted grants during the year. Capital expenditure is also significantly higher than the previous year which has led to increased depreciation costs. The average number of employees increased from 123 to 133 resulting in higher employee costs. The municipal population has remained relatively stable.</p> |

|  |             |             |             |             |  |
|--|-------------|-------------|-------------|-------------|--|
| <i>Infrastructure per head of municipal population</i><br>[Value of infrastructure / Municipal population]                                 | \$31,036.42 | \$30,924.94 | \$36,556.23 | \$39,997.41 | The higher capital expenditure for the year in conjunction with the revaluation of Property and Infrastructure assets has significantly increased the value of infrastructure.<br><br>The municipal population has remained relatively stable. |
| <i>Population density per length of road</i><br>[Municipal population / Kilometres of local roads]   | 5.11        | 5.16        | 5.13        | 5.23        |  |
| <b>Own-source revenue</b><br><br><i>Own-source revenue per head of municipal population</i><br>[Own-source revenue / Municipal population] | \$1,989.40  | \$2,458.70  | \$2,071.96  | \$2,238.74  |  |
| <b>Recurrent grants</b><br><br><i>Recurrent grants per head of municipal population</i><br>[Recurrent grants / Municipal population]       | \$1,139.07  | \$1,211.90  | \$1,375.10  | \$1,411.99  |  |

|  |       |       |       |       |   |
|--|-------|-------|-------|-------|---|
| <p><b>Disadvantage</b></p> <p><i>Relative Socio-Economic Disadvantage</i></p> <p>[Index of Relative Socio-Economic Disadvantage by decile]</p>   | 5     | 5     | 5     | 5     |   |
| <p><b>Workforce turnover</b></p> <p><i>Percentage of staff turnover</i></p> <p>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</p> | 15.4% | 24.4% | 25.9% | 30.0% | <p>Higher staff turnover was exacerbated by two factors: 1) Staff numbers increased in recent years to assist with the 2020 bushfire &amp; 2022 flood recovery efforts and 2022/23 saw a higher cessation of these employment contracts as the recovery efforts slowed. 2) The continuation of the effects of the COVID pandemic saw a slowdown in planned employment positions being fulfilled in recent years, the past year saw these positions being filled which increased the employee headcount to historical higher levels.</p> |

## **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 2023</b>  |                         |                         |                         |                         |   |
| <i>Service/indicator/measure</i>   | <b>Results<br/>2020</b> | <b>Results<br/>2021</b> | <b>Results<br/>2022</b> | <b>Results<br/>2023</b> | <b>Material Variations</b>  |
| <p><b>Aquatic Facilities</b></p> <p><b>Utilisation</b></p> <p><i>Utilisation of aquatic facilities</i></p> <p>[Number of visits to aquatic facilities / Municipal population]</p>  | 1.92                    | 0.89                    | 1.12                    | 1.37                    | Council operates two outdoor seasonal swimming pools. There were 8,480 visits recorded in 2022/23 compared to 6,783 in 2021/22; 5,455 in 2020/21 and 10,732 in 2019/20. |
| <p><b>Animal Management</b></p> <p><b>Health and safety</b></p> <p><i>Animal management prosecutions</i></p> <p>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</p> | 0%                      | 0%                      | 0%                      | 0%                      | There have been no animal prosecutions in 2022/23.  |



| <b>PERFORMANCE STATEMENT</b>  |                         |                         |                         |                         |   |
|---|-------------------------|-------------------------|-------------------------|-------------------------|---|
| <b>Service Performance Indicators – for the year ended 30 June 2023</b>   |                         |                         |                         |                         |   |
| <b>Service/indicator/measure</b>  | <b>Results<br/>2020</b> | <b>Results<br/>2021</b> | <b>Results<br/>2022</b> | <b>Results<br/>2023</b> | <b>Material Variations</b>  |
| <p><b>Food Safety</b></p> <p><b>Health and safety</b></p> <p><i>Critical and major non-compliance outcome notifications</i></p> <p>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</p> | 100.00%                 | 100.00%                 | 100.00%                 | 100.00%                 | There were two critical or major non-compliance outcome notifications issued in 2022/23. This compares to eleven in 2021/22; one in 2020/21; and three in 2019/20. All notifications were followed up.                    |
| <p><b>Governance</b></p> <p><b>Satisfaction</b></p> <p><i>Satisfaction with council decisions</i></p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>   | 63                      | 60                      | 54                      | 52                      | Satisfaction with Council's decisions fell two points in comparison to 2021/22. Council's performance is in line with the average for Small Rural Councils as well as the overall Statewide Council average for Victoria. |

| <b>PERFORMANCE STATEMENT</b>   |                         |                         |                         |                         |  |
|--|-------------------------|-------------------------|-------------------------|-------------------------|--|
| <b>Service Performance Indicators – for the year ended 30 June 2023</b>  |                         |                         |                         |                         |  |
| <b>Service/indicator/measure</b>   | <b>Results<br/>2020</b> | <b>Results<br/>2021</b> | <b>Results<br/>2022</b> | <b>Results<br/>2023</b> | <b>Material Variations</b>   |
| <p><b>Libraries</b></p> <p><b>Participation</b></p> <p><i>Active library borrowers in the municipality</i></p> <p>[Number of active library borrowers in the last three years / the sum of the municipal population for the last three years] x100</p> | 10.82%                  | 9.16%                   | 8.05%                   | 7.27%                   | 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 has been steadily declining. |
| <p><b>Maternal and Child Health (MCH)</b></p> <p><b>Participation</b></p> <p><i>Participation in the MCH service</i></p>   | 80.30%                  | 85.50%                  | 75.83%                  | 89.13%                  |  |

| <b>PERFORMANCE STATEMENT</b>   |                         |                         |                         |                         |  |
|--|-------------------------|-------------------------|-------------------------|-------------------------|--|
| <b>Service Performance Indicators – for the year ended 30 June 2023</b>  |                         |                         |                         |                         |  |
| <b>Service/indicator/measure</b>   | <b>Results<br/>2020</b> | <b>Results<br/>2021</b> | <b>Results<br/>2022</b> | <b>Results<br/>2023</b> | <b>Material Variations</b>   |
| [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100  |                         |                         |                         |                         | 242 children attended the service at least once during 2022/23. The participation rate was higher than in previous years.  |
| <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> | 100.00%                 | 100.00%                 | 84.62%                  | 91.67%                  | 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 12 children who registered with the service. |

|   |    |    |    |    |   |
|---|----|----|----|----|---|
| <p><b>Roads</b></p> <p><b>Satisfaction</b></p> <p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p> | 63 | 57 | 50 | 38 | <p>Council's performance in 2022/23 was lower than the Small Rural Council average for the year of 44 and below the state average for 2022/23 of 48.</p> <p>It is a strong feeling that the slow response times to fixing state owned roads that had deteriorated significantly during the year due to rain and flood events added to the low performance ratings due to the misperception that these are the responsibility of the Council. There remains important works required on some major roads within the shire that are outside of the responsibility of the council and we are working with state authorities to be prioritised.</p> |
|---|----|----|----|----|---|

|   |         |         |        |        |   |
|---|---------|---------|--------|--------|---|
| <p><b>Statutory Planning</b></p> <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> | 100.00% | 100.00% | 0.00%  | 0.00%  | There were no VCAT planning decisions for 2022/23.  |
| <p><b>Waste Collection</b></p> <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>              | 25.75%  | 20.82%  | 48.62% | 30.81% | <p>The total amount of garbage and recyclables collected by Council in 2022/23 was 1,725.16 tonne. 531.54 tonne of this waste was recyclables which were sent to a recycling facility in Melbourne.</p> <p>The higher result for 2021/22 was because the main Corryong landfill cell was rendered inoperable after the 2020/21 bushfires and much of waste collected from Kerbside bins was diverted to the Albury City Council landfill site. The lower results of the year, more in line with the 2020 &amp; 2021 years are due to the reopening of the landfill.</p> |

## **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 2023</b>  |                |                |                |                |                 |                |                |                |   |
| <b>Dimension/indicator/meas<br/>ure</b>  | <b>Results</b> |                |                |                | <b>Forecast</b> |                |                |                | <b>Material Variations</b>  |
|  | <b>2020</b>    | <b>2021</b>    | <b>2022</b>    | <b>2023</b>    | <b>2024</b>     | <b>2025</b>    | <b>2026</b>    | <b>2027</b>    |   |
| <b>Efficiency</b><br><br><b>Expenditure level</b><br><br><i>Expenses per property<br/>assessment</i><br><br>[Total expenses / Number<br>of property assessments] | \$5,359.6<br>0 | \$5,467.8<br>9 | \$4,754.0<br>9 | \$5,685.1<br>5 | \$5,691.2<br>4  | \$5,575.7<br>9 | \$5,391.8<br>9 | \$5,589.5<br>4 | Higher materials & service costs due to spending of unbudgeted grants during the year. Capital expenditure is significantly higher than the previous year which has led to increased depreciation costs. The average number of employees increased from 123 to 133 resulting in higher employee costs. The number of property assessments has remained relatively stable. |
| <i>Average rate per property<br/>assessment</i><br><br>[General rates and<br>municipal charges /<br>Number of property<br>assessments]                           | \$1,721.6<br>5 | \$1,713.2<br>4 | \$1,745.9<br>1 | \$1,780.9<br>2 | \$1,836.9<br>3  | \$2,017.5<br>7 | \$2,073.2<br>5 | \$2,131.5<br>7 | No material change on four year averages  |

|  |  |   |   |
|--|--|---|---|
| <p><b>Liquidity</b></p> <p><b>Working capital</b></p> <p><i>Current assets compared to current liabilities</i></p> <p>[Current assets / Current liabilities] x100</p>                | <p>611.10%   388.23%   488.06%   364.20%</p> | <p>217.67%   152.49%   105.80%   53.55%</p> | <p>Historically higher unearned revenue amount resulting in increased current liabilities balance. Not materially different on three year averages.</p> |
| <p><b>Unrestricted cash</b></p> <p><i>Unrestricted cash compared to current liabilities</i></p> <p>[Unrestricted cash / Current liabilities] x100</p>                                | <p>570.66%   207.10%   178.75%   183.02%</p> | <p>201.12%   133.91%   85.86%   33.65%</p>  | <p>No material change on past three years</p>   |
| <p><b>Obligations</b></p> <p><b>Loans and borrowings</b></p> <p><i>Loans and borrowings compared to rates</i></p> <p>[Interest bearing loans and borrowings / Rate revenue] x100</p> | <p>0.04%   0.04%   0.00%   0.00%</p>         | <p>0.00%   0.00%   0.00%   0.00%</p>        | <p>Council had very minimal borrowings owing at year end.</p>   |



|  |         |         |         |         |         |        |        |        |   |
|--|---------|---------|---------|---------|---------|--------|--------|--------|---|
| <p><i>Loans and borrowings repayments compared to rates</i></p> <p>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</p>              | 0.95%   | 0.18%   | 0.18%   | 0.17%   | 0.13%   | 0.12%  | 0.11%  | 0.11%  | Council had very minimal borrowings owing at year end.  |
| <p><b>Indebtedness</b></p> <p><i>Non-current liabilities compared to own source revenue</i></p> <p>[Non-current liabilities / Own source revenue] x100</p>                           | 9.80%   | 7.13%   | 7.79%   | 6.52%   | 9.26%   | 9.71%  | 9.68%  | 10.90% | No material change on past three years  |
| <p><b>Asset renewal and upgrade</b></p> <p><i>Asset renewal and upgrade compared to depreciation</i></p> <p>[Asset renewal and asset upgrade expense / Asset depreciation] x 100</p> | 121.37% | 129.41% | 120.04% | 158.79% | 442.80% | 99.78% | 88.06% | 79.50% | Spike in asset renewals as a result of highest capital spendings in recent years, especially expenditure on asset renewals due to bushfire and flooding events. |

|   |   |  |   |
|---|---|--|---|
| <p><b>Operating position</b></p> <p><b>Adjusted underlying result</b></p> <p><i>Adjusted underlying surplus (or deficit)</i></p> <p>[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100</p> | <p>12.41%    7.82%    15.08%    2.68%</p>   | <p>(39.50%)    (10.79%)    (6.36%)    (10.91%)</p> | <p>Compared to prior year, Underlying revenue was consistent, however there was an overall drop of almost \$4M to the total surplus in large part due to timing variances as 2022 FY recorded \$9M higher surplus than budget.</p> <p>Council has achieved at an accumulated surplus of \$21 million over the past 3 financial years. It is expected that this surplus will be utilised over the forecast period, hence the forecast of deficits.</p> |
| <p><b>Stability</b></p> <p><b>Rates concentration</b></p> <p><i>Rates compared to adjusted underlying revenue</i></p> <p>[Rate revenue / Adjusted underlying revenue] x100</p>                                    | <p>33.56%    34.44%    37.56%    37.76%</p> | <p>57.04%    51.68%    52.72%    54.52%</p>        | <p>No material change on four year averages</p>   |
| <p><b>Rates effort</b></p> <p><i>Rates compared to property values</i></p> <p>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</p>   | <p>0.56%    0.52%    0.56%    0.38%</p>     | <p>0.30%    0.30%    0.28%    0.27%</p>            | <p>No material change on four year averages</p>   |

### **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.

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

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

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

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

**Retired measures**

**Service/indicator/measure**

|  | Results    |                    |                    |                    | Comment   |
|--|------------|--------------------|--------------------|--------------------|---|
|  | 2019/20    | 2020/21            | 2021/22            | 2022/23            |   |
| <p><b>Animal management</b></p> <p><b>Health and safety</b></p> <p><i>Animal management prosecutions</i></p> <p>[Number of successful animal management prosecutions]</p>                                  | 0          | Retired in 2019/20 | Retired in 2019/20 | Retired in 2019/20 | This measure was replaced by Animal management prosecutions (%) for 2020.                 |
| <p><b>Efficiency</b></p> <p><b>Revenue level</b></p> <p><i>E1 – Average residential rate per residential assessment</i></p> <p>[Residential rate revenue / Number of residential property assessments]</p> | \$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.               |
| <p><b>Obligations</b></p> <p><b>Asset renewal</b></p> <p>O1 - Asset renewal compared to depreciation</p> <p>[Asset renewal expense / Asset depreciation] x 100</p>   | 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 2023. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The 2023/24 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 Narelle Taylor

### Principal Accounting Officer

Date: 14 November 2023

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

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

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

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



Andrew Whitehead

### Mayor

Date: 14 November 2023



David Wortmann

### Deputy Mayor

Date: 14 November 2023



Ms Juliana Phelps

### Chief Executive Officer

Date: 14 November 2023

# Independent Auditor's Report

## To the Councillors of Towong Shire Council

**Opinion** I have audited the accompanying performance statement of Towong Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2023
- operational summary
- sustainable capacity indicators for the year ended 30 June 2023
- service performance indicators for the year ended 30 June 2023
- financial performance indicators for the year ended 30 June 2023
- basis of preparation and
- certification of the performance statement.

In my opinion, the performance statement of Towong Shire Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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

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

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

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



---

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

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

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

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

---

MELBOURNE  
20 November 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 Narelle Taylor, CA

**Principal Accounting Officer**

**Dated** : 14 November 2023

Tallangatta

In our opinion, the accompanying financial statements present fairly the financial transactions of the Towong Shire Council for the year ended 30 June 2023 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**

**Dated** : 14 November 2023

Tallangatta



David Wortmann

**Deputy Mayor**

**Dated** : 14 November 2023

Tallangatta



Ms Juliana Phelps

**Chief Executive Officer**

**Dated** : 14 November 2023

Tallangatta

# Independent Auditor's Report

## To the Councillors of Towong Shire Council

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

- balance sheet as at 30 June 2023
- 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 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *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  
20 November 2023



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

## Comprehensive Income Statement For the Year Ended 30 June 2023

|  | Note    | 2023<br>\$'000 | 2022<br>\$'000 |
|--|---------|----------------|----------------|
| <b>Income/Revenue</b>  |         |                |                |
| Rates and charges  | 3.1     | 10,005         | 9,434          |
| Statutory fees and fines   | 3.2     | 300            | 280            |
| User fees  | 3.3     | 1,180          | 1,158          |
| Grants - operating   | 3.4 (a) | 12,648         | 11,579         |
| Grants - capital   | 3.4 (b) | 5,762          | 7,778          |
| Contributions - monetary   | 3.5     | 22             | 64             |
| Net gain (or loss) on disposal of property, infrastructure, plant and equipment    | 3.6     | (430)          | 13             |
| Fair value adjustments for investment property                                     | 6.4     | 75             | 43             |
| Share of net profits (or loss) of associates and joint ventures                    | 6.3     | -              | -              |
| Other income   | 3.7     | 2,721          | 1,655          |
| <b>Total income/revenue</b>  |         | <b>32,283</b>  | <b>32,004</b>  |
| <b>Expenses</b>  |         |                |                |
| Employee costs   | 4.1 (a) | 9,916          | 9,280          |
| Materials and services   | 4.2     | 9,606          | 7,531          |
| Depreciation   | 4.3     | 5,959          | 4,341          |
| Amortisation - intangible assets   | 4.4     | -              | -              |
| Amortisation - right of use assets   | 4.5     | 52             | -              |
| Bad and doubtful debts - allowance for impairment losses                           | 4.6     | -              | 120            |
| Borrowing costs  | 4.7     | 17             | 17             |
| Finance costs - leases   | 4.8     | -              | 6              |
| Other expenses   | 4.9     | 238            | 222            |
| <b>Total expenses</b>  |         | <b>25,788</b>  | <b>21,517</b>  |
| <b>Surplus/(deficit) for the year</b>  |         | <b>6,495</b>   | <b>10,487</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)  | 6.2     | 24,713         | 30,211         |
| <b>Total other comprehensive income</b>  |         | <b>24,713</b>  | <b>30,211</b>  |
| <b>Total comprehensive result</b>  |         | <b>31,208</b>  | <b>40,698</b>  |

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

## Balance Sheet

### As at 30 June 2023

|  | Note    | 2023           | 2022           |
|--|---------|----------------|----------------|
|  | e       | \$'000         | \$'000         |
| <b>Assets</b>  |         |                |                |
| <b>Current assets</b>  |         |                |                |
| Cash and cash equivalents                                      | 5.1 (a) | 13,510         | 6,274          |
| Trade and other receivables                                    | 5.1 (c) | 2,949          | 1,743          |
| Other financial assets   | 5.1 (b) | 31,500         | 35,532         |
| Inventories  | 5.2 (a) | 576            | 308            |
| Prepayments  | 5.2 (b) | 52             | 9              |
| Non-current assets classified as held for sale                 | 6.1     | -              | -              |
| Other assets   | 5.2 (b) | 839            | 27             |
| <b>Total current assets</b>                                    |         | <b>49,426</b>  | <b>43,893</b>  |
| <b>Non-current assets</b>                                      |         |                |                |
| Trade and other receivables                                    | 5.1 (c) | -              | 46             |
| Investments in associates, joint arrangements and subsidiaries | 6.3     | 43             | 43             |
| Property, infrastructure, plant and equipment                  | 6.2     | 266,487        | 236,052        |
| Right-of-use assets  | 5.8     | -              | 286            |
| Investment property  | 6.4     | 1,250          | 1,175          |
| <b>Total non-current assets</b>                                |         | <b>267,780</b> | <b>237,602</b> |
| <b>Total assets</b>  |         | <b>317,206</b> | <b>281,495</b> |
| <b>Liabilities</b>   |         |                |                |
| <b>Current liabilities</b>                                     |         |                |                |
| Trade and other payables                                       | 5.3 (a) | 1,796          | 1,169          |
| Trust funds and deposits                                       | 5.3 (b) | 1,623          | 443            |
| Unearned income/revenue  | 5.3 (c) | 8,479          | 5,538          |
| Provisions   | 5.5     | 1,788          | 1,715          |
| Interest-bearing liabilities                                   | 5.4     | -              | -              |
| Lease liabilities  | 5.8     | -              | 127            |
| <b>Total current liabilities</b>                               |         | <b>13,686</b>  | <b>8,992</b>   |
| <b>Non-current liabilities</b>                                 |         |                |                |
| Provisions   | 5.5     | 788            | 979            |
| <b>Total non-current liabilities</b>                           |         | <b>788</b>     | <b>979</b>     |
| <b>Total liabilities</b>                                       |         | <b>14,474</b>  | <b>9,971</b>   |
| <b>Net assets</b>  |         | <b>302,732</b> | <b>271,524</b> |
| <b>Equity</b>  |         |                |                |
| Accumulated surplus  | 9.1 (b) | 131,875        | 125,380        |
| Reserves   | 9.1 (a) | 170,857        | 146,144        |
| <b>Total Equity</b>  |         | <b>302,732</b> | <b>271,524</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 2023

| 2023  | Note | Total<br>\$'000       | Accumulated<br>Surplus<br>\$'000 | Revaluation<br>Reserve<br>\$'000 |
|---|------|-----------------------|----------------------------------|----------------------------------|
| Balance at beginning of the financial year  |      | 271,524               | 125,380                          | 146,144                          |
| Surplus/(deficit) for the year              |      | 6,495                 | 6,495                            | -                                |
| Net asset revaluation increment/(decrement) | 6.2  | 24,713                | -                                | 24,713                           |
|   |      | <u>302,732</u>        | <u>131,875</u>                   | <u>170,857</u>                   |
| <b>Balance at end of the financial year</b> |      | <b><u>302,732</u></b> | <b><u>131,875</u></b>            | <b><u>170,857</u></b>            |

| 2022  |     | Total<br>\$'000       | Accumulated<br>Surplus<br>\$'000 | Revaluation<br>Reserve<br>\$'000 |
|---|-----|-----------------------|----------------------------------|----------------------------------|
| 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) | 6.2 | 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><u>271,524</u></b> | <b><u>125,380</u></b>            | <b><u>146,144</u></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 2023

|   | 2023                             | 2022                               |
|---|----------------------------------|------------------------------------|
|   | Inflows/<br>(Outflows)           | Inflows/<br>(Outflows)             |
| Note  | \$'000                           | \$'000                             |
| <b>Cash flows from operating activities</b>                         |                                  |                                    |
| Rates and charges   | 9,112                            | 9,225                              |
| Statutory fees and fines  | 301                              | 280                                |
| User fees   | 1,179                            | 1,158                              |
| Grants - operating  | 16,234                           | 11,578                             |
| Grants - capital  | 3,022                            | 6,071                              |
| Contributions - monetary  | 22                               | -                                  |
| Interest received   | 620                              | 212                                |
| Other receipts  | 1,289                            | 1,060                              |
| Net GST refund/payment  | 583                              | 295                                |
| Employee costs  | (9,906)                          | (9,266)                            |
| Materials and services  | (8,411)                          | (6,326)                            |
| Trust funds and deposits repaid                                     | 1,180                            | (437)                              |
| Other payments  | -                                | -                                  |
| <b>Net cash provided by/(used in) operating activities</b>          | <b>9.2</b><br><u>15,225</u>      | <b>13,850</b><br><u>13,850</u>     |
| <b>Cash flows from investing activities</b>                         |                                  |                                    |
| Payments for property, infrastructure, plant and equipment          | 6.2<br>(12,171)                  | (9,544)                            |
| Proceeds from sale of property, infrastructure, plant and equipment | 294                              | 106                                |
| Decrease in other financial assets                                  | <u>4,032</u>                     | <u>(3,999)</u>                     |
| <b>Net cash provided by/(used in) investing activities</b>          | <b>(7,845)</b><br><u>(7,845)</u> | <b>(13,437)</b><br><u>(13,437)</u> |
| <b>Cash flows from financing activities</b>                         |                                  |                                    |
| Finance costs   | (17)                             | (17)                               |
| Interest paid - lease liability                                     | -                                | (6)                                |
| Repayment of lease liabilities                                      | <u>(127)</u>                     | <u>(58)</u>                        |
| <b>Net cash provided by/(used in) financing activities</b>          | <b>(144)</b><br><u>(144)</u>     | <b>(81)</b><br><u>(81)</u>         |
| Net increase (decrease) in cash and cash equivalents                | 7,236                            | 332                                |
| Cash and cash equivalents at the beginning of the financial year    | 6,274                            | 5,942                              |
| <b>Cash and cash equivalents at the end of the financial year</b>   | <b>13,510</b><br><u>13,510</u>   | <b>6,274</b><br><u>6,274</u>       |
| 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 Works For the Year Ended 30 June 2023

|  | Note  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|-------|----------------|----------------|
| <b>Property</b>                        |       |                |                |
| Buildings                              |       | -              | 3,285          |
| Building improvements                  |       | 663            | -              |
| Site improvements                      |       | 3,019          | -              |
| <b>Total buildings</b>                 |       | <b>3,682</b>   | <b>3,285</b>   |
| <b>Total property</b>                  |       | <b>3,682</b>   | <b>3,285</b>   |
| <b>Plant and equipment</b>             |       |                |                |
| Plant, machinery and equipment         |       | 942            | 917            |
| Fixtures, fittings and furniture       |       | -              | 1              |
| Computers and telecommunications       |       | 101            | 136            |
| Library books                          |       | 18             | 25             |
| <b>Total plant and equipment</b>       |       | <b>1,061</b>   | <b>1,079</b>   |
| <b>Infrastructure</b>                  |       |                |                |
| Roads                                  |       | 4,515          | 2,795          |
| Bridges                                |       | 1,123          | 151            |
| Footpaths and cycleways                |       | 194            | 6              |
| Waste management                       |       | 11             | 168            |
| Parks, open space and streetscapes     |       | 1,585          | 2,060          |
| <b>Total infrastructure</b>            |       | <b>7,428</b>   | <b>5,180</b>   |
| <b>Total capital works expenditure</b> | 2.1.2 | <b>12,171</b>  | <b>9,544</b>   |
| <b>Represented by:</b>                 |       |                |                |
| New asset expenditure                  |       | 2,545          | 4,333          |
| Asset renewal expenditure              |       | 2,695          | 1,827          |
| Asset upgrade expenditure              |       | 6,931          | 3,384          |
| <b>Total capital works expenditure</b> |       | <b>12,171</b>  | <b>9,544</b>   |

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

# Notes to the Financial Report

## For the Year Ended 30 June 2023

### 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, 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

##### 1.1 Basis of accounting

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

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

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

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.

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)

- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- other areas requiring judgements

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

### **Goods and Services Tax (GST)**

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

## Note 1 OVERVIEW

### 2.1 Performance against budget

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

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<br>2023<br>\$'000 | Actual<br>2023<br>\$'000 | Variance<br>\$'000 | Variance<br>% | Ref |
|--|--------------------------|--------------------------|--------------------|---------------|-----|
| <b>Income</b>  |                          |                          |                    |               |     |
| Rates and charges  | 9,982                    | 10,005                   | 23                 | 0%            |     |
| Statutory fees and fines   | 329                      | 300                      | (29)               | -9%           | 1   |
| User fees  | 1,343                    | 1,180                    | (163)              | -12%          | 2   |
| Grants - operating   | 3,629                    | 12,648                   | 9,019              | 249%          | 3   |
| Grants - capital   | 4,994                    | 5,762                    | 768                | 15%           | 4   |
| Contributions - monetary   | -                        | 22                       | 22                 | 0%            |     |
| Contributions - non monetary   | -                        | -                        | -                  | 0%            |     |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | -                        | (430)                    | (430)              | 0%            | 5   |
| Fair value adjustments for investment property                               | -                        | 75                       | 75                 | 0%            |     |
| Share of net profits/(losses) of associates and joint ventures               | -                        | -                        | -                  | 0%            |     |
| Other income   | 630                      | 2,721                    | 2,091              | 332%          | 6   |
| <b>Total income</b>  | <b>20,907</b>            | <b>32,283</b>            | <b>11,376</b>      | <b>54%</b>    |     |
| <b>Expenses</b>  |                          |                          |                    |               |     |
| Employee costs   | 10,138                   | 9,916                    | 222                | 2%            | 7   |
| Materials and services   | 8,394                    | 9,606                    | (1,212)            | -14%          | 8   |
| Depreciation   | 4,884                    | 5,959                    | (1,075)            | -22%          | 9   |
| Amortisation - intangible assets   | -                        | -                        | -                  | 0%            |     |
| Amortisation - right of use assets   | -                        | 52                       | (52)               | 0%            |     |
| Bad and doubtful debts - allowance for impairment losses                     | -                        | -                        | -                  | 0%            |     |
| Borrowing costs  | -                        | 17                       | (17)               | 0%            |     |
| Finance costs - leases   | 21                       | -                        | 21                 | 100%          |     |
| Other expenses   | 230                      | 238                      | (8)                | -3%           |     |
| <b>Total expenses</b>  | <b>23,667</b>            | <b>25,788</b>            | <b>(2,121)</b>     | <b>-9%</b>    |     |
| <b>Surplus/(deficit) for the year</b>  | <b>(2,760)</b>           | <b>6,495</b>             | <b>13,497</b>      | <b>-489%</b>  |     |

(i) Explanation of material variations

| <b>Var Ref</b> | <b>Item</b>  | <b>Explanation</b>   |
|----------------|--|--|
| 1              | Statutory fees and fines   | Statutory fees from Building permits was \$40,000 under budget due to lower than expected level of permits. Health registration fees \$15,000 under. Fees from Infringements were almost \$20,000 above budget which is generally difficult to forecast 12 months in advance.  |
| 2              | User fees  | Kindergarten and childcare fees were \$220,000 under budget due to lower fees from parents than anticipated however most was offset by an increase in the child care subsidies recognised within operating grants. Fees from resource recovery was up \$15,000, Swimming Pool fees up \$16,000, Septic tank fees up \$10,000 and fees from events up \$10,000 due to an increase in events organised than originally planned.  |
| 3              | Grants - operating   | Higher than budget as a result of additional grants received due to successful advocacy. 2023/24 Financial Assistance Grants was received ahead of schedule as were not previously budgeted to be received in 2022/23 financial year.  |
| 4              | Grants – capital   | Higher than budget as a result of successful advocacy on capital project grants awarded and received during the financial year.  |
| 5              | Net gain/(loss) on disposal of property, infrastructure, plant and equipment | Demolition of amenities block to make way for construction of replacement buildings resulted in write down of old asset. Major culvert was damaged by flooding and replaced with new single lane bridge, resulting in write off of old asset.  |
| 6              | Other income   | Interest income up \$1.12M due to earnings on bank funds in light of higher than anticipated interest rates and slower than anticipated capital spending program. Interest on rates up \$92,000 due to lower than anticipated collection on overdue debts. Insurance recovery up \$930,000 which were not budgeted.  |
| 7              | Employee costs   | Employee costs down 2% on budget due to unfulfillment of all positions budgeted for at the start of the year.  |
| 8              | Materials and services   | Community contributions, events and programs were up \$475,000 over budget in large part due to the onspend of the recovery grants that previously had not been budgeted to be received. Garbage collection charges were \$165,000 over budget due to increased waste costs due to diversion methods related to not having full use of council owned landfill site affected by disaster. Operating costs related to projects that were not previously budgeted for as the grant income had not yet been awarded at time of budget, was up \$911,000. |
| 9              | Depreciation   | At time of budget preparation, the forecast on capital project costs was less than actual, which contributed to an onflow of higher depreciation costs carried into the financial year.  |

## 2.1.2 Capital works

|  | Budget<br>2023<br>\$'000 | Actual<br>2023<br>\$'000 | Variance<br>\$'000 | Variance<br>% | Ref |
|--|--------------------------|--------------------------|--------------------|---------------|-----|
| Building improvements                  | 2,480                    | 663                      | (1,817)            | -73%          | 1   |
| Site improvements                      | 7,562                    | 3,019                    | (4,543)            | -60%          | 2   |
| <b>Total buildings</b>                 | 10,042                   | 3,682                    | (6,360)            | -63%          |     |
| <b>Total property</b>                  | 10,042                   | 3,682                    | (6,360)            | -63%          |     |
| <b>Plant and equipment</b>             |                          |                          |                    |               |     |
| Plant, machinery and equipment         | 1,050                    | 942                      | (108)              | -10%          |     |
| Computers and telecommunications       | 600                      | 101                      | (499)              | -83%          | 3   |
| Library books                          | 30                       | 18                       | (12)               | -40%          | 4   |
| <b>Total plant and equipment</b>       | 1,680                    | 1,061                    | (619)              | -37%          |     |
| <b>Infrastructure</b>                  |                          |                          |                    |               |     |
| Roads                                  | 10,613                   | 4,515                    | (6,098)            | -57%          | 5   |
| Bridges                                | 1,499                    | 1,123                    | (376)              | -25%          | 6   |
| Footpaths and cycleways                | 812                      | 194                      | (618)              | -76%          | 7   |
| Drainage                               | 100                      | -                        | (100)              | -100%         | 8   |
| Waste management                       | 249                      | 11                       | (238)              | -96%          | 9   |
| Parks, open space and streetscapes     | 5,658                    | 1,585                    | (4,073)            | -72%          | 10  |
| Other infrastructure                   | 1,468                    | -                        | (1,468)            | -100%         | 11  |
| <b>Total infrastructure</b>            | 20,399                   | 7,428                    | (12,971)           | -64%          |     |
| <b>Total capital works expenditure</b> | 32,121                   | 12,171                   | (19,950)           | -62%          |     |
| <b>Represented by:</b>                 |                          |                          |                    |               |     |
| New asset expenditure                  | 11,271                   | 2,545                    | (8,726)            | -77%          |     |
| Asset renewal expenditure              | 4,664                    | 2,695                    | (1,969)            | -42%          |     |
| Asset upgrade expenditure              | 16,186                   | 6,931                    | (9,255)            | -57%          |     |
| <b>Total capital works expenditure</b> | 32,121                   | 12,171                   | (19,950)           | -62%          |     |

(i) Explanation of material variations

| Var Ref | Item                               | Explanation   |
|---------|------------------------------------|---|
| 1       | Building Improvements              | \$225,000 were expended on building works at Colac Colac Caravan Park. \$380,000 on various public toilet block works. \$360,000 incurred at Corryong Airport Upgrades with \$160,000 remaining in budget carried forward. \$595,000 budget for saleyards works carried forward and commenced early 2024 financial year. Due to flood disasters, Council made the decision to prioritise more urgent road projects which caused a movement of resources away from the planned building improvement works. |
| 2       | Site Improvements                  | \$363,000 was expended at Corryong Airport Upgrades (Budget of \$523,000) \$845,000 incurred at Corryong Saleyards and Weighbridge (Budget \$810,000). Corryong Stock Route with a budget of \$2,646,000 budget, had \$923,000 expended with the project expected to be completed in 2024 financial year. Due to flood disasters, Council made the decision to prioritise more urgent road projects which caused a movement of resources away from the planned site improvement works.                    |
| 3       | Computers and telecommunications   | \$72,000 incurred on IT System upgrades, \$570,000 of IT related programs carried forward due to delays by external project management works.   |
| 4       | Library books                      | Underexpended (\$12,000) due to unexpected delays to timelines. Remaining carried forward and expected to be expended 100% by end of 2024 financial year.   |
| 5       | Roads                              | Delays on road projects have carried forward into the new year. Variances from budget include: Hanson Street, Corryong \$3.4 million, Lake Road, Tallangatta \$210,000, Towong Street East, Tallangatta \$336,000, Yabba Road, Tallangatta \$300,000.   |
| 6       | Bridges                            | Smythes Road, Eskdale \$1,505,000. Works began on bridge projects that weren't previously budgeted for due to needing prioritisation after flood disaster which included Little Snowy Creek, Eskdale (\$406,000) and various other bridge works (\$446,000).  |
| 7       | Footpaths and cycleways            | Projects commenced surrounding Bellbridge Walking Track (\$110,000 incurred) and new projects commenced after receipt of grants, towards Towong, Tintaldra & Tallangatta walking tracks (\$85,000) incurred. Corryong Circuit Trail (Budget \$750,000) has been carried forward due to delays in other Corryong works that was prioritised.   |
| 8       | Drainage                           | Drainage renewals project was carried forward and commenced early 2024 financial year. Works were originally slated for late 2023 financial year, however prioritisation of disaster related works on roads delayed the drainage works by a few months, crossing into the new financial year.   |
| 9       | Waste Management                   | Retaining wall at Tallangatta Waste Station (Budget \$249,000) commenced late in year and is expected to be completed early 2024 financial year.  |
| 10      | Parks, open space and streetscapes | A number of large projects commenced and are on track for completion in 2024 financial year. These include: Cudgewa Avenue of Honour \$500,000 budget versus \$163,000 expended to date, Tallangatta Triangles Irrigation System (\$120,000 vs \$7,000), Great River Road (\$2,365,000 vs \$846,742), Corryong Skatepark (\$932,000 vs \$15,000). Due to the scarcity of resources and specialised contractors, these projects weren't completed within the financial year.                               |

11 Other infrastructure

---

Budget works have been carried forward and early 2024 financial year have seen commencements on: Bethanga Playground \$200,000, Bellbridge Playground \$189,000, Tennis Court Upgrades \$650,000. The majority of these specialised works requires skilled external contractors and delays were made to timelines due to the difficulty of resourcing these workers.

---



## **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/<br>(Deficit) | Grants<br>included in<br>income | Total assets   |
|--------------------------------|---------------|---------------|-----------------------|---------------------------------|----------------|
| <b>2023</b>                    | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b>         | <b>\$'000</b>                   | <b>\$'000</b>  |
| Asset Management               | 8,562         | 13,066        | (4,504)               | 8,561                           | 238,820        |
| Community Wellbeing            | 3,900         | 3,234         | 666                   | 2,995                           | 14,215         |
| Economic & Tourism Development | 453           | 588           | (135)                 | 423                             | 9,175          |
| Land-use Planning              | 302           | 881           | (579)                 | 44                              | -              |
| Environmental Sustainability   | 790           | 2,085         | (1,295)               | 537                             | 1,943          |
| Organisational Improvement     | 16,422        | 4,612         | 11,810                | 4,875                           | 52,982         |
| Relief & Recovery              | 1,853         | 1,322         | 531                   | 974                             | 71             |
|                                | <b>32,283</b> | <b>25,788</b> | <b>6,495</b>          | <b>18,410</b>                   | <b>317,206</b> |

|                                | Income        | Expenses      | Surplus/<br>(Deficit) | Grants<br>included in<br>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> |

### Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

#### 3.1 Rates and charges

2023  
\$'000

2022  
\$'000

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 2022/23 was \$2,663 million (2021/22 \$2,072 million). The 2022/23 rate in the CIV dollar was .2426 cents to .9702 (2021/22 .3046 cents to 1.2182 cents).

|                                    |               |              |
|------------------------------------|---------------|--------------|
| General rates                      | 6,804         | 6,656        |
| Municipal charge                   | 1,274         | 1,246        |
| Kerbside collection charge         | 1,200         | 1,080        |
| Waste Facilities management charge | 403           | 400          |
| Revenue in lieu of rates           | 324           | 52           |
| <b>Total rates and charges</b>     | <b>10,005</b> | <b>9,434</b> |

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2023, and the valuation will be first applied in the rating year commencing 1 July 2023.

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

|                                       |            |            |
|---------------------------------------|------------|------------|
| Infringements and costs               | 18         | -          |
| Land information certificates         | 10         | 14         |
| Health registration fees              | 25         | 32         |
| Permits                               | 142        | 152        |
| Town planning fees                    | 105        | 82         |
| <b>Total statutory fees and fines</b> | <b>300</b> | <b>280</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 | 841          | 835          |
| External private works  | 1            | 3            |
| Refuse disposal fees    | 165          | 132          |
| Saleyard dues           | 18           | 14           |
| Septic tank fees        | 22           | 13           |
| Swimming pool fees      | 45           | 27           |
| Other fees and charges  | 88           | 134          |
| <b>Total user fees</b>  | <b>1,180</b> | <b>1,158</b> |

#### User fees by timing of revenue recognition

|   |              |              |
|---|--------------|--------------|
| User fees recognised over time          | -            | -            |
| User fees recognised at a point in time | 1,180        | 1,158        |
| <b>Total user fees</b>                  | <b>1,180</b> | <b>1,158</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.

### 3.4 Funding from other levels of government

2023  
\$'000

2022  
\$'000

Grants were received in respect of the following :

#### Summary of grants

|                              |               |               |
|------------------------------|---------------|---------------|
| Commonwealth funded grants   | 8,877         | 9,450         |
| State funded grants          | 9,533         | 9,907         |
| <b>Total grants received</b> | <b>18,410</b> | <b>19,357</b> |

#### (a) Operating Grants

##### **Recurrent - Commonwealth Government**

|   |       |       |
|---|-------|-------|
| Financial Assistance Grants - General Purpose | 4,756 | 3,871 |
| Financial Assistance Grants - Local Roads     | 2,786 | 2,456 |

##### **Recurrent - State Government**

|                             |       |     |
|-----------------------------|-------|-----|
| Family & Children           | 1,001 | 657 |
| Community                   | 119   | 118 |
| Emergency Services          | 60    | 60  |
| School Crossing Supervisors | 14    | 12  |

*Add additional grants grouped by type as appropriate*

|   |              |              |
|---|--------------|--------------|
| Other                                   | -            | -            |
| <b>Total recurrent operating grants</b> | <b>8,736</b> | <b>7,174</b> |

##### **Non-recurrent - Commonwealth Government**

|                      |    |     |
|----------------------|----|-----|
| Family and children  | -  | 221 |
| Economic development | 44 | -   |

##### **Non-recurrent - State Government**

|   |              |              |
|---|--------------|--------------|
| Community                                   | 572          | 314          |
| Family and children                         | 524          | 720          |
| Infrastructure                              | 215          | 55           |
| Environment                                 | -            | 37           |
| Corporate                                   | -            | 444          |
| Recreation                                  | 22           | 54           |
| Waste                                       | 20           | 30           |
| Bushfire relief & recovery                  | 1,711        | 2,004        |
| Economic development                        | 280          | 526          |
| Information Technology                      | 23           | -            |
| Emergency Support                           | 500          | -            |
| <b>Total non-recurrent operating grants</b> | <b>3,912</b> | <b>4,405</b> |

#### **Total operating grants**

**12,648**      **11,579**

#### (b) Capital Grants

##### **Recurrent - Commonwealth Government**

|                                       |          |              |
|---------------------------------------|----------|--------------|
| Roads to recovery                     | -        | 1,177        |
| <b>Total recurrent capital grants</b> | <b>-</b> | <b>1,177</b> |

##### **Non-recurrent - Commonwealth Government**

|                |       |       |
|----------------|-------|-------|
| Infrastructure | 1,232 | 1,645 |
|----------------|-------|-------|

##### **Non-recurrent - State Government**

|   |              |              |
|---|--------------|--------------|
| Other Infrastructure                      | 4,530        | 4,956        |
| <b>Total non-recurrent capital grants</b> | <b>5,762</b> | <b>6,601</b> |

#### **Total capital grants**

**5,762**      **7,778**

### (c) Recognition of grant income

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

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

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

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

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i></b>    |               |               |
| General purpose  | 7,601         | 7,504         |
| Specific purpose grants to acquire non-financial assets                              | -             | -             |
| Other specific purpose grants  | 8,249         | 9,536         |
| <b>Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i></b> |               |               |
| Specific purpose grants  | 2,559         | 2,317         |
|  | <u>18,410</u> | <u>19,357</u> |

|                            | <b>2023</b>      | <b>2022</b>      |
|----------------------------|------------------|------------------|
|                            | <b>\$'000</b>    | <b>\$'000</b>    |
| <b>3.5 Contributions</b>   |                  |                  |
| Monetary                   | 22               |                  |
| Non-Monetary               | -                | 64               |
|                            | <u>22</u>        | <u>-</u>         |
| <b>Total contributions</b> | <b><u>22</u></b> | <b><u>64</u></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  | 132                 | 106              |
| Written down value of assets disposed   | (562)               | (93)             |
|   | <u>(430)</u>        | <u>13</u>        |
| <b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b> | <b><u>(430)</u></b> | <b><u>13</u></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   | 1,301               | 212                 |
| Interest on rates  | 131                 | 83                  |
| Shared services  | 89                  | 158                 |
| Other rent   | 142                 | 107                 |
| Insurance reimbursement - 2019/20 bushfires                | 875                 | 35                  |
| Disaster recovery funding arrangements - 2019/20 bushfires | 68                  | 863                 |
| Other  | 115                 | 197                 |
|  | <u>2,721</u>        | <u>1,655</u>        |
| <b>Total other income</b>                                  | <b><u>2,721</u></b> | <b><u>1,655</u></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.

|   | 2023         | 2022         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| <b>Note 4 THE COST OF DELIVERING SERVICES</b> |              |              |
| <b>4.1 (a) Employee costs</b>                 |              |              |
| Wages and salaries                            | 7,898        | 7,296        |
| WorkCover                                     | 182          | 193          |
| Annual leave and long service leave           | 930          | 1,000        |
| Superannuation                                | 888          | 771          |
| Fringe benefits tax                           | 18           | 20           |
| <b>Total employee costs</b>                   | <b>9,916</b> | <b>9,280</b> |

**(b) Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

|  |           |           |
|--|-----------|-----------|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 32        | 28        |
| Employer contributions - other funds   | -         | -         |
|  | <u>32</u> | <u>28</u> |
| Employer contributions payable at reporting date.                              | -         | -         |

**Accumulation funds**

|  |            |            |
|--|------------|------------|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 306        | 262        |
| Employer contributions - other funds   | 499        | 478        |
|  | <u>805</u> | <u>740</u> |
| Employer contributions payable at reporting date.                              | 129        | 115        |

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

**4.2 Materials and services**

|   |              |              |
|---|--------------|--------------|
| Materials and services                          | 4,146        | 3,500        |
| Contract payments                               | 2,479        | 1,763        |
| Maintenance-buildings, towns, parks and gardens | 2,028        | 1,335        |
| Plant and equipment maintenance                 | 780          | 754          |
| Utilities                                       | 173          | 179          |
| <b>Total materials and services</b>             | <b>9,606</b> | <b>7,531</b> |

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

**4.3 Depreciation**

|                           |              |              |
|---------------------------|--------------|--------------|
| Property                  | 1,069        | 855          |
| Plant and equipment       | 761          | 738          |
| Infrastructure            | 4,129        | 2,748        |
| <b>Total depreciation</b> | <b>5,959</b> | <b>4,341</b> |

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

|   | 2023<br>\$'000 | 2022<br>\$'000 |
|---|----------------|----------------|
| <b>4.4 Amortisation - Intangible assets</b>   |                |                |
| <b>Total Amortisation - Intangible assets</b>   | <u>-</u>       | <u>-</u>       |
| <b>4.5 Amortisation - Right of use assets</b>   |                |                |
| Vehicles  | 52             | -              |
| <b>Total Amortisation - Right of use assets</b>   | <u>52</u>      | <u>-</u>       |
| <b>4.6 Bad and doubtful debts - allowance for impairment losses</b>   |                |                |
| Other debtors   | -              | 120            |
| <b>Total bad and doubtful debts - allowance for impairment losses</b>   | <u>-</u>       | <u>120</u>     |
| <b>Movement in allowance for impairment losses in respect of debtors</b>  |                |                |
| Balance at the beginning of the year  | -              | -              |
| New provisions recognised during the year   | -              | -              |
| Amounts already provided for and written off as uncollectible   | -              | -              |
| Amounts provided for but recovered during the year  | -              | -              |
| Balance at end of year  | <u>-</u>       | <u>-</u>       |
| An allowance for impairment losses in respect of debtors 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             |
| Less capitalised borrowing costs on qualifying assets   | -              | -              |
| <b>Total borrowing costs</b>  | <u>17</u>      | <u>17</u>      |
| 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              |
| <b>Total finance costs</b>  | <u>-</u>       | <u>6</u>       |
| <b>4.9 Other expenses</b>   |                |                |
| Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals   | 44             | 35             |
| Councillors' allowances   | 194            | 187            |
| <b>Total other expenses</b>   | <u>238</u>     | <u>222</u>     |



**Note 5 OUR FINANCIAL POSITION****5.1 Financial assets****(a) Cash and cash equivalents**

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Cash on hand                           | 1             | 1             |
| Cash at bank                           | 5,079         | 605           |
| Money market call accounts             | 8,430         | 5,668         |
| <b>Total cash and cash equivalents</b> | <b>13,510</b> | <b>6,274</b>  |

**(b) Other financial assets****Current**

|                                      |        |        |
|--------------------------------------|--------|--------|
| Term deposits - current              | 31,500 | 35,532 |
| Total current other financial assets | 31,500 | 35,532 |

**Non-current**

|  |   |   |
|--|---|---|
| Term deposits - non-current              | - | - |
| Total non-current other financial assets | - | - |

**Total other financial assets**

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| <b>Total other financial assets</b> | <b>31,500</b> | <b>35,532</b> |
|-------------------------------------|---------------|---------------|

**Total financial assets**

|                               |               |               |
|-------------------------------|---------------|---------------|
| <b>Total financial assets</b> | <b>45,010</b> | <b>41,806</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.

| <b>(c) Trade and other receivables</b>        | <b>2023</b>         | <b>2022</b>         |
|---|---------------------|---------------------|
|   | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>Current</b>                                |                     |                     |
| <i>Statutory receivables</i>                  |                     |                     |
| Rates debtors                                 | 1,375               | 1,019               |
| Walwa Waste Water Supply debtors scheme       | 69                  | 22                  |
| Fire Service Property Levy debtors            | 158                 | 143                 |
| <i>Other debtors</i>                          |                     |                     |
| Sundry Debtors                                | 652                 | 131                 |
| Net GST receivable                            | 695                 | 428                 |
| Total current trade and other receivables     | <u>2,949</u>        | <u>1,743</u>        |
| <b>Non-current</b>                            |                     |                     |
| <i>Statutory receivables</i>                  |                     |                     |
| Walwa Waste Water Supply debtors scheme       | -                   | 46                  |
| Total non-current trade and other receivables | <u>-</u>            | <u>46</u>           |
| <b>Total trade and other receivables</b>      | <u><b>2,949</b></u> | <u><b>1,789</b></u> |

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

#### **(d) Ageing of Receivables**

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

|                                   |            |            |
|-----------------------------------|------------|------------|
| Current (not yet due)             | 629        | 70         |
| Past due by up to 30 days         | 1          | 12         |
| Past due between 31 and 180 days  | 1          | 49         |
| Past due between 181 and 365 days | 21         | -          |
| Past due by more than 1 year      | -          | -          |
| Total trade and other receivables | <u>652</u> | <u>131</u> |

**5.2 Non-financial assets****(a) Inventories**

|                                   | <b>2023</b>   | <b>2022</b>   |
|-----------------------------------|---------------|---------------|
|                                   | <b>\$'000</b> | <b>\$'000</b> |
| Inventories held for distribution | 576           | 308           |
| <b>Total inventories</b>          | <b>576</b>    | <b>308</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. nominal consideration, they are measured at current replacement cost at the date of acquisition.

**(b) Other assets**

|                           |            |           |
|---------------------------|------------|-----------|
| Prepayments               | 52         | 9         |
| Accrued income            | 839        | 27        |
| Other                     | -          | -         |
| <b>Total other assets</b> | <b>891</b> | <b>36</b> |

|   | 2023         | 2022         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| <b>5.3 Payables, trust funds and deposits and unearned income/revenue</b> |              |              |
| <b>(a) Trade and other payables</b>                                       |              |              |
| <b>Current</b>  |              |              |
| <i>Non-statutory payables</i>   |              |              |
| Trade payables  | 1,120        | 542          |
| Accrued wages   | 142          | 132          |
| Accrued expenses  | 192          | 204          |
| Other payable   | 230          | 134          |
| PAYG payables   | 112          | 157          |
| <i>Statutory payables</i>   |              |              |
| GST payable   | -            | -            |
| <b>Total current trade and other payables</b>                             | <b>1,796</b> | <b>1,169</b> |
| <b>(b) Trust funds and deposits</b>                                       |              |              |
| <b>Current</b>  |              |              |
| Refundable deposits   | 40           | 41           |
| Fire services levy  | 1,126        | 176          |
| Retention amounts   | 457          | 226          |
| Other refundable deposits   | -            | -            |
| <b>Total current trust funds and deposits</b>                             | <b>1,623</b> | <b>443</b>   |
| <b>(c) Unearned income/revenue</b>  |              |              |
| <b>Current</b>  |              |              |
| Grants received in advance - operating                                    | 5,869        | 188          |
| Grants received in advance - capital                                      | 2,610        |              |
|   | 5,350        | Other -      |
|   | -            |              |
| <b>Total current unearned income/revenue</b>                              | <b>8,479</b> | <b>5,538</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 process.

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

#### 5.4 Interest-bearing liabilities

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| <b>Current</b>                                 |                |                |
| Borrowings                                     | -              | -              |
| Total current interest-bearing liabilities     | -              | -              |
| <b>Non-current</b>                             |                |                |
| Total non-current interest-bearing liabilities | -              | -              |
| <b>Total</b>                                   | -              | -              |

The Council has no external borrowings.

#### 5.5 Provisions

|  | Employee<br>\$ '000 | Landfill<br>\$ '000 | Other<br>Total restoration<br>\$ '000      \$ '000 |              |
|--|---------------------|---------------------|--|--------------|
| <b>2023</b>                                |                     |                     |  |              |
| Balance at beginning of the financial year | 1,835               | 859                 | -  | 2,694        |
| Additional provisions                      | 888                 | -                   | -  | 888          |
| Amounts used                               | (888)               | (118)               | -  | (1,006)      |
| Balance at the end of the financial year   | <b>1,835</b>        | <b>741</b>          | -  | <b>2,576</b> |
| <i>Provisions - current</i>                | 1,673               | 115                 | -  | 1,788        |
| <i>Provisions - non-current</i>            | 162                 | 626                 | -  | 788          |
| <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   | <b>1,835</b>        | <b>859</b>          | -  | <b>2,694</b> |
| <i>Provisions - current</i>                | 1,715               | -                   | -  | 1,715        |
| <i>Provisions - non-current</i>            | 120                 | 859                 | -  | 979          |

|  | <b>2023</b>   | <b>202</b>    |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>2</b>      |
| <b>(a) Employee provisions</b>   |               |               |
| <b>Current provisions expected to be wholly settled within 12 months</b> |               | <b>\$'000</b> |
|  |               | <b>0</b>      |
| Annual leave   | 668           | 546           |
| Long service leave   | 92            | 110           |
| Flexi time   | 86            | 73            |
|  | <b>846</b>    | <b>729</b>    |
| <b>Current provisions expected to be wholly settled after 12 months</b>  |               |               |
| Annual leave   | -             | -             |
| Long service leave   | 827           | 986           |
|  | <b>827</b>    | <b>986</b>    |
| Total current employee provisions  | <b>1,673</b>  | <b>1,715</b>  |
| <b>Non-current</b>   |               |               |
| Long service leave   | 162           | 120           |
| Annual leave   | -             | -             |
| Total non-current employee provisions                                    | <b>162</b>    | <b>120</b>    |
| Aggregate carrying amount of employee provisions:                        |               |               |
| Current  | 1,673         | 1,715         |
| Non-current  | 162           | 120           |
| Total aggregate carrying amount of employee provisions                   | <b>1,835</b>  | <b>1,835</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 | 4.06% | 3.69% |
| - index rate    | 4.35% | 3.85% |

|                                 | <b>2023</b>   | <b>202</b>   |
|---------------------------------|---------------|--------------|
| <b>(b) Landfill restoration</b> | <b>\$'000</b> | <b>2</b>     |
|                                 |               | <b>\$'00</b> |
|                                 |               | <b>0</b>     |
| Current                         | 115           | -            |
| Non-current                     | 626           | 859          |
|                                 | <b>741</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 | 4.06% | 3.69% |
| - index rate    | 4.35% | 3.85% |

## 5.6 Financing arrangements

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

|                        |           |            |
|------------------------|-----------|------------|
| Bank overdraft         | -         | -          |
| Master lease           | -         | 400        |
| Credit card facilities | 25        | 25         |
| Total facilities       | <u>25</u> | <u>425</u> |
| Used facilities        | 9         | 127        |
| Unused facilities      | <u>16</u> | <u>298</u> |





## 5.8 Leases

At inception of a contract, Council assesses 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;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Council has the right to direct the use of the asset.

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

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

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

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

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

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

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

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

**Right-of-Use Assets**

|  | Property<br>\$'000 | Vehicles<br>\$'000 | Other, etc.<br>\$'000 | Total<br>\$'000 |
|--|--------------------|--------------------|-----------------------|-----------------|
| Balance at 1 July 2022                                     | -                  | 286                | -                     | 286             |
| Additions  | -                  | -                  | -                     | -               |
| Amortisation charge  | -                  | (52)               | -                     | (52)            |
| Transfers to Property, Infrastructure, Plant and Equipment |                    | (234)              |                       | (234)           |
| Balance at 30 June 2023                                    | -                  | -                  | -                     | -               |

**Lease Liabilities**

Maturity analysis - contractual undiscounted cash flows

|   | 2023<br>\$'000 | 2022<br>\$'000 |
|---|----------------|----------------|
| Less than one year                                  | -              | 127            |
| One to five years                                   | -              | -              |
| More than five years                                | -              | -              |
| Total undiscounted lease liabilities as at 30 June: | -              | 127            |

Lease liabilities included in the Balance Sheet at 30 June:

|                         |   |     |
|-------------------------|---|-----|
| Current                 | - | 127 |
| Non-current             | - | -   |
| Total lease liabilities | - | 127 |

---

**Notes to the Financial Report  
For the Year Ended 30 June 2023**

**Note 6 ASSETS WE MANAGE**

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

**Total non current assets classified as held for sale**

| 2023   | 2022   |
|--------|--------|
| \$'000 | \$'000 |

|   |   |
|---|---|
| - | - |
|---|---|

---

Council does not currently hold assets classified as held for sale.

## 6.2 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

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

|                     | Carrying<br>amount<br>30 June 2022<br>\$'000 | Additions<br>\$'000 | Reclassifications<br>\$'000 | Revaluation<br>\$'000 | Depreciation<br>\$'000 | Disposal<br>\$'000 | Write-off<br>\$'000 | Transfers<br>\$'000 | Carrying amount<br>30 June 2023<br>\$'000 |
|---------------------|--|---------------------|-----------------------------|-----------------------|------------------------|--------------------|---------------------|---------------------|---|
| Property            | 39,650                                       | -                   | (956)                       | 3,698                 | (1,069)                | (150)              | -                   | 2,753               | 43,926                                    |
| Plant and equipment | 3,666  | -                   | 234                         | -                     | (761)                  | (7)                | -                   | 1,198               | 4,330                                     |
| Infrastructure      | 185,482                                      | -                   | 956                         | 21,016                | (4,129)                | (405)              | -                   | 6,473               | 209,393                                   |
| Work in progress    | 7,254  | 12,171              | (51)                        | -                     | -                      | -                  | (113)               | (10,424)            | 8,838                                     |
|                     | 236,052                                      | 12,171              | 183                         | 24,713                | (5,959)                | (562)              | (113)               | -                   | 266,487                                   |

### Summary of Work in Progress

|                     | Opening WIP<br>\$'000 | Additions<br>\$'000 | Reclassification<br>\$'000 | Write-off<br>\$'000 | Transfers<br>\$'000 | Closing WIP<br>\$'000 |
|---------------------|-----------------------|---------------------|----------------------------|---------------------|---------------------|-----------------------|
| Property            | 2,470                 | 3,682               | (208)                      | (39)                | (2,753)             | 3,152                 |
| Plant and equipment | 100                   | 1,061               | 37                         | -                   | (1,196)             | 2                     |
| Infrastructure      | 4,684                 | 7,428               | 119                        | (75)                | (6,473)             | 5,683                 |
| Total               | 7,254                 | 12,171              | (51)                       | (113)               | (10,424)            | 8,838                 |

**(a) Property**

|  | Land - specialised | Land - non specialised | Total Land & Land Improvements | Buildings - specialised | Total Buildings | Works In Progress | Total Property |
|--|--------------------|------------------------|--------------------------------|-------------------------|-----------------|-------------------|----------------|
|  | \$'000             | \$'000                 | \$'000                         | \$'000                  | \$'000          | \$'000            | \$'000         |
| At fair value 1 July 2022                        | 9,255              | 4,791                  | 14,046                         | 43,167                  | 43,167          | 2,470             | 59,683         |
| Accumulated depreciation at 1 July 2022          | -                  | -                      | -                              | (17,563)                | (17,563)        | -                 | (17,563)       |
|  | 9,255              | 4,791                  | 14,046                         | 25,604                  | 25,604          | 2,470             | 42,120         |
| <b>Movements in fair value</b>                   |                    |                        |                                |                         |                 |                   |                |
| Additions  | -                  | -                      | -                              | -                       | -               | 3,682             | 3,682          |
| Reclassifications                                | -                  | -                      | -                              | (1,133)                 | (1,133)         | (208)             | (1,341)        |
| Revaluation                                      | 1,578              | 3,399                  | 4,977                          | (5,039)                 | (5,039)         | -                 | (62)           |
| Disposal   | -                  | -                      | -                              | (593)                   | (593)           | -                 | (593)          |
| Write-off  | -                  | -                      | -                              | -                       | -               | (39)              | (39)           |
| Transfers  | -                  | -                      | -                              | 2,753                   | 2,753           | (2,753)           | -              |
| Impairment losses recognised in operating result | -                  | -                      | -                              | -                       | -               | -                 | -              |
|  | 1,578              | 3,399                  | 4,977                          | (4,012)                 | (4,012)         | 682               | 1,647          |
| <b>Movements in accumulated depreciation</b>     |                    |                        |                                |                         |                 |                   |                |
| Depreciation and amortisation                    | -                  | -                      | -                              | (1,069)                 | (1,069)         | -                 | (1,069)        |
| Reclassifications                                | -                  | -                      | -                              | 177                     | 177             | -                 | 177            |
| Accumulated depreciation of disposals            | -                  | -                      | -                              | 443                     | 443             | -                 | 443            |
| Revaluations                                     | -                  | -                      | -                              | 3,760                   | 3,760           | -                 | 3,760          |
| Impairment losses recognised in operating result | -                  | -                      | -                              | -                       | -               | -                 | -              |
| Transfers  | -                  | -                      | -                              | -                       | -               | -                 | -              |
|  | -                  | -                      | -                              | 3,311                   | 3,311           | -                 | 3,311          |
| At fair value 30 June 2023                       | 10,833             | 8,190                  | 19,023                         | 39,155                  | 39,155          | 3,152             | 61,330         |
| Accumulated depreciation at 30 June 2023         | -                  | -                      | -                              | (14,252)                | (14,252)        | -                 | (14,252)       |
| Carrying amount                                  | 10,833             | 8,190                  | 19,023                         | 24,903                  | 24,903          | 3,152             | 47,078         |

**(b) Plant and Equipment**

|  | Plant<br>machinery<br>and<br>\$'000 | Fixtures<br>fittings and<br>furniture<br>\$'000 | Computers and<br>telecomms<br>\$'000 | Library books<br>\$'000 | Total plant and<br>equipment<br>\$'000 |
|--|-------------------------------------|---|--------------------------------------|-------------------------|--|
| At fair value 1 July 2022                        | 8,324                               | 30  | 574                                  | 202                     | 9,130                                  |
| Accumulated depreciation at 1 July 2022          | (4,870)                             | (24)  | (481)                                | (88)                    | (5,463)                                |
|  | 3,453                               | 6   | 93                                   | 114                     | 3,666                                  |
| <b>Movements in fair value</b>                   |                                     |   |                                      |                         |  |
| Additions  | -                                   | -   | -                                    | -                       | -                                      |
| Reclassifications                                | 234                                 | -   | -                                    | -                       | 234                                    |
| Revaluation                                      | -                                   | -   | -                                    | -                       | -                                      |
| Disposal   | (389)                               | -   | -                                    | -                       | (389)                                  |
| Write-off  | -                                   | -   | -                                    | -                       | -                                      |
| Transfers  | 979                                 | -   | 203                                  | 16                      | 1,198                                  |
| Impairment losses recognised in operating result | -                                   | -   | -                                    | -                       | -                                      |
|  | 824                                 | -   | 203                                  | 16                      | 1,043                                  |
| <b>Movements in accumulated depreciation</b>     |                                     |   |                                      |                         |  |
| Depreciation and amortisation                    | (647)                               | -   | (88)                                 | (26)                    | (761)                                  |
| Reclassifications                                | -                                   | -   | -                                    | -                       | -                                      |
| Accumulated depreciation of disposals            | 382                                 | -   | -                                    | -                       | 382                                    |
| Impairment losses recognised in operating result | -                                   | -   | -                                    | -                       | -                                      |
| Transfers  | -                                   | -   | -                                    | -                       | -                                      |
|  | (265)                               | -   | (88)                                 | (26)                    | (379)                                  |
| At fair value 30 June 2023                       | 9,148                               | 30  | 777                                  | 218                     | 10,173                                 |
| Accumulated depreciation at 30 June 2023         | (5,135)                             | (24)  | (569)                                | (114)                   | (5,842)                                |
| Carrying amount                                  | 4,012                               | 6   | 208                                  | 104                     | 4,330                                  |

**(c) Infrastructure**

|  | Roads    | Bridges  | Footpaths and cycleways | Drainage | Kerb & Channel | Waste Management | Parks open space and streetscapes | Guardrail | Other Infrastructure | Work In Progress | Total Infrastructure |
|--|----------|----------|-------------------------|----------|----------------|------------------|-----------------------------------|-----------|----------------------|------------------|----------------------|
|  | \$'000   | \$'000   | \$'000                  | \$'000   | \$'000         | \$'000           | \$'000                            | \$'000    | \$'000               | \$'000           | \$'000               |
| At fair value 1 July 2022                        | 210,419  | 28,289   | 2,950                   | 9,192    | 8,352          | 838              | 2,411                             | -         | 309                  | 4,684            | <b>267,444</b>       |
| Accumulated depreciation at 1 July 2022          | (53,532) | (12,359) | (1,205)                 | (4,902)  | (4,209)        | (482)            | (438)                             | -         | (151)                | -                | <b>(77,278)</b>      |
|  | 156,887  | 15,930   | 1,745                   | 4,290    | 4,143          | 356              | 1,973                             | -         | 158                  | 4,684            | <b>190,166</b>       |
| <b>Movements in fair value</b>                   |          |          |                         |          |                |                  |                                   |           |                      |                  |                      |
| Additions  | -        | -        | -                       | -        | -              | -                | -                                 | -         | -                    | 7,428            | <b>7,428</b>         |
| Reclassifications                                | -        | -        | -                       | -        | -              | -                | 1,133                             | -         | -                    | 119              | <b>1,252</b>         |
| Revaluation                                      | 16,730   | 34,545   | 1,503                   | -        | 1,429          | -                | -                                 | 374       | -                    | -                | <b>54,581</b>        |
| Disposal   | -        | (570)    | -                       | -        | -              | (514)            | -                                 | -         | -                    | -                | <b>(1,084)</b>       |
| Write-off  | -        | -        | -                       | -        | -              | -                | -                                 | -         | -                    | (75)             | <b>(75)</b>          |
| Transfers  | 4,918    | 446      | 107                     | 186      | 77             | 281              | 236                               | 222       | -                    | (6,473)          | -                    |
| Impairment losses recognised in operating result | -        | -        | -                       | -        | -              | -                | -                                 | -         | -                    | -                | -                    |
|  | 21,648   | 34,421   | 1,610                   | 186      | 1,506          | (233)            | 1,369                             | 596       | -                    | 999              | <b>62,102</b>        |
| <b>Movements in accumulated depreciation</b>     |          |          |                         |          |                |                  |                                   |           |                      |                  |                      |
| Depreciation and amortisation                    | (3,021)  | (287)    | (44)                    | (94)     | (94)           | (296)            | (265)                             | (9)       | (19)                 | -                | <b>(4,129)</b>       |
| Reclassifications                                | -        | -        | -                       | -        | -              | -                | (177)                             | -         | -                    | -                | <b>(177)</b>         |
| Accumulated depreciation of disposals            | -        | 312      | -                       | -        | -              | 367              | -                                 | -         | -                    | -                | <b>679</b>           |
| Revaluations                                     | (18,690) | (12,997) | (997)                   | -        | (598)          | -                | -                                 | (283)     | -                    | -                | <b>(33,565)</b>      |
| Transfers  | -        | -        | -                       | -        | -              | -                | -                                 | -         | -                    | -                | -                    |
|  | (21,711) | (12,972) | (1,041)                 | (94)     | (692)          | 71               | (442)                             | (292)     | (19)                 | -                | <b>(37,192)</b>      |
| At fair value 30 June 2023                       | 232,067  | 62,710   | 4,560                   | 9,378    | 9,858          | 605              | 3,780                             | 596       | 309                  | 5,684            | <b>329,547</b>       |
| Accumulated depreciation at 30 June 2023         | (75,243) | (25,331) | (2,246)                 | (4,996)  | (4,901)        | (411)            | (880)                             | (292)     | (170)                | -                | <b>(114,470)</b>     |
| Carrying amount                                  | 156,824  | 37,379   | 2,314                   | 4,382    | 4,957          | 194              | 2,900                             | 304       | 139                  | 5,684            | <b>215,077</b>       |

### 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<br/>Period</b> | <b>Threshold<br/>Limit<br/>\$'000</b> |
|--|--------------------------------|---------------------------------------|
| <i>Asset recognition thresholds and depreciation periods</i> |                                |                                       |
| Buildings  |                                |                                       |
| Buildings  | 50 years                       | 5,000                                 |
| Plant and Equipment  |                                |                                       |
| Vehicles & 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                                 |
| Other 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   |                                |                                       |
| Bridges - deck and substructure                              | 119 years                      | 10,000                                |
| Bridges - added features                                     | 80 years                       | 10,000                                |
| Bridges - major culverts                                     | 100 years                      | 10,000                                |
| Drainage underground   | 100 years                      | 10,000                                |
| Footpaths  | 70 years                       | 10,000                                |
| Guardrails   | 40 years                       | 10,000                                |
| Roads - kerb, channel and minor culverts and other           | 90 years                       | 10,000                                |
| Roads - sealed pavements                                     | 70 years                       | 10,000                                |
| Roads - unsealed pavements                                   | 30 years                       | 10,000                                |
| Roads - sealed formations                                    | 200 years                      | 10,000                                |
| Roads - unsealed formations                                  | 200 years                      | 10,000                                |
| Sealed Surfaces (seal only)                                  | 15 years                       | 10,000                                |
| Street lighting and streetscapes                             | 10 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. 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, specialised land and buildings were undertaken by a qualified independent valuer Marcus Hann, 62901, of LG Valuation Services Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

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

---

|                         | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Date of Valuation</b> | <b>Type of Valuation</b> |
|-------------------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Land                    | -              | 5,227          | 2,963          | Jun-23                   | Full revaluation         |
| Specialised land        | -              | -              | 10,833         | Jun-23                   | Full revaluation         |
| Buildings - Specialised | -              | -              | 24,903         | Jun-23                   | Full revaluation         |
| Total                   | -              | 5,227          | 38,699         |                          |                          |

### **Valuation of infrastructure**

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Peter Moloney of Moloney The date and type of the current valuation is detailed in the following table.

The valuation is at fair value based on current replacement cost less accumulated depreciation as at the date of valuation. Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2023 are as follows:

---

|                         | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Date of Valuation</b> | <b>Type of Valuation</b> |
|-------------------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Roads                   | -              | -              | 156,823        | Jun-23                   | Full Revaluation         |
| Bridges                 | -              | -              | 37,380         | Jun-23                   | Full Revaluation         |
| Footpaths and cycleways | -              | -              | 2,314          | Jun-23                   | Full Revaluation         |
| Drainage                | -              | -              | 4,382          | Jun-22                   | Full Revaluation         |
| Kerb & Channel          | -              | -              | 4,957          | Jun-23                   | Full Revaluation         |
| Guardrail               | -              | -              | 304            | Jun-23                   | Full Revaluation         |
| Total                   | -              | -              | 206,160        |                          |                          |

### **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 70% and 90%. 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 and \$3,500 per square metre.

**Specialised buildings** are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$125 to \$6000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 95 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation.

Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 75 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.

|   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
| <b>Reconciliation of specialised land</b> | <b>\$'000</b> | <b>\$'000</b> |
| Land under roads                          | 10,833        | 9,255         |
| <b>Total specialised land</b>             | <b>10,833</b> | <b>9,255</b>  |

|  | 2023      | 2022   |
|--|-----------|--------|
|  | \$'000    | \$'000 |
| <b>6.3 Investments in associates, joint arrangements and subsidiaries</b>    |           |        |
| <b>(a) Investments in associates</b>   |           |        |
| MomentumOne Shared Services Pty Ltd  | 43        | 43     |
| <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>43</b> | 43     |
| <b>Movement in carrying value of specific investment</b>                     |           |        |
| Carrying value of investment at start of year                                | 43        | 78     |
| Share of surplus(deficit) for year   | -         | (35)   |
| Carrying value of investment at end of year                                  | <b>43</b> | 43     |

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

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.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

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.

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>6.4 Investment property</b>         |               |               |
| Balance at beginning of financial year | 1,175         | 1,132         |
| Fair value adjustments                 | 75            | 43            |
| Balance at end of financial year       | <u>1,250</u>  | <u>1,175</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 2022 and 30 June 2023.

## Note 7 PEOPLE AND RELATIONSHIPS

### 7.1 Council and key management remuneration

#### (a) Related Parties

##### Parent entity

Towong Shire Council is the parent entity.

##### Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

#### (b) Key Management Personnel

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

|                    |   |
|--------------------|---|
| <b>Councillors</b> | Cr Andrew Whitehead – Mayor   |
|                    | Cr David Wortmann - Deputy Mayor 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 (1 July 2022 - 3 March 2023)       |
|                    | Craig Heiner - Interim Director Corporate and Organisational Development (6 March 2023 - 2 June 2023) |
|                    | Narelle Taylor - Director Corporate and Organisational Development (5 June 2023 - 30 June 2023)       |

|  | 2023<br>No. | 2022<br>No. |
|--|-------------|-------------|
| <b>Total Number of Councillors</b>   | 5           | 5           |
| <b>Total of Chief Executive Officer and other Key Management Personnel</b> | 6           | 4           |
| <b>Total Number of Key Management Personnel</b>                            | 11          | 9           |

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

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

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

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

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

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

|  | 2023<br>\$ | 2022<br>\$ |
|--|------------|------------|
| Total remuneration of key management personnel was as follows: |            |            |
| Short-term employee benefits                                   | 1,016      | 915        |
| Other long-term employee benefits                              | 9          | 5          |
| Post-employment benefits                                       | 73         | 69         |
| Total  | 1,098      | 989        |

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

|                       | 2023<br>No. | 2022<br>No. |
|-----------------------|-------------|-------------|
| \$0 - \$9,999         | 1           | -           |
| \$20,000 - \$29,999   | 3           | 3           |
| \$40,000 - \$49,999   | 1           | -           |
| \$50,000 - \$59,999   | -           | 2           |
| \$70,000 - \$79,999   | 1           | -           |
| \$100,000 - \$109,999 | 1           | -           |
| \$120,000 - \$129,999 | 1           | -           |
| \$130,000 - \$139,999 | -           | 1           |
| \$160,000 - \$169,999 | 2           | 2           |
| \$250,000 - \$259,999 | 1           | 1           |
|                       | 11          | 9           |

|   | 2023<br>\$'000 | 2022<br>\$'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  | -              | -              |
| Grants received from entity controlled by KMP   | -              | 8              |
| Investment dividend received from joint arrangements                                    | -              | 35             |
| <b>Total Income</b>   | <b>-</b>       | <b>43</b>      |
| <b>Expenses</b>   |                |                |
| Grants paid to entities controlled by KMP (1)   | 5              | 5              |
| Purchases of materials or services from joint arrangements                              | -              | -              |
| Purchases of materials or services from entities controlled by KMP (2)                  | 172            | 271            |
| Employee costs for close family members of KMP  | -              | -              |
| <b>Total Expenses</b>   | <b>177</b>     | <b>276</b>     |
| <b>Total Transactions</b>   | <b>177</b>     | <b>319</b>     |

*Grants paid to entities controlled by KMP (1)*

*\$5,000.00 was paid to Peninsula Seasonal Markets, in which Cr Anderson is the chair on the board. The payment was a community recovery grant derived from the commonwealth to assist with recovery efforts as a result of the 2020 bushfires.*

*Purchases of materials or services from entities controlled by KMP (2)*

*\$64,474 was paid to the Dartmouth Community Progress Association of which Councillor Aaron Scales is the Treasurer. This included \$61,874 for regular town maintenance services, \$1,500 for Hall Hire and \$1,100 as a contribution towards an Australia Day Event.*

*\$4,321 was paid to the Dartmouth Pub Pty Ptd, of which Councillor Aaron Scales was the owner during this period. \$3,775 was for the annual provision of public toilets and a one off payment for additional cleaning as a result of a rare event that saw an uptick in tourism to the area. 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. A further payment of \$545.45 was made as part of a marketing campaign ("Pub Tucker Month") which multiple pubs in the shire participated in.*

*\$102,242 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; \$64,242 for various tourism promotional activities.*

*\$1,100 was paid to the Municipal Association of Victoria (MAV), of which Councillor Aaron Scales is a Board member. Payments included Councillor training of \$250; and conference/meeting chairs of \$850.*

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

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

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

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

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

*Towong Shire Council did not have any outstanding balances with 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 2024. 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        | 20        |
|                         | <b>20</b> | <b>20</b> |

##### Insurance Claim Receivable

Council has an ongoing insurance claim for recovery of secondary costs relating to expenses incurred in the operations of the waste disposal due to bushfire damage at the Corryong Landfill. The probable insurance claim amounts to \$1.551 million.

|                         | 2023        | 2022     |
|-------------------------|-------------|----------|
| Not later than one year | 1,551       | 0        |
|                         | <b>1551</b> | <b>0</b> |

#### (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 2023 is \$32,000

#### 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 (was) 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**

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

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

**(d) Support for Joint Arrangements**

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. MomentumOne Shared Services Pty Ltd is currently a dormant entity and has concluded all contracts and normal operations.



## 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 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.

#### Interest rate risk

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

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

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

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

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

### (c) Credit risk

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

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

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

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

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

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

## 8.4 Fair value measurement

### Fair value hierarchy

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

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

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

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

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

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

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

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

### Revaluation

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

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

| <b>Asset class</b>      | <b>Revaluation frequency</b> |
|-------------------------|------------------------------|
| Land                    | 5 Years                      |
| Buildings               | 5 Years                      |
| Roads                   | 5 Years                      |
| Bridges                 | 5 Years                      |
| Footpaths and cycleways | 5 Years                      |
| Drainage                | 5 Years                      |
| Aerodromes              | 5 Years                      |
| Other infrastructure    | 5 Years                      |

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

### Impairment of assets

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

## 8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report

## Note 9 OTHER MATTERS

|   | Balance at<br>beginning of<br>reporting period<br>\$'000 | Increment<br>(decrement)<br>\$'000 | Share of<br>increment<br>(decrement) on<br>revaluations by<br>an associate<br>\$'000 | Balance at end<br>of reporting<br>period<br>\$'000 |
|---|--|------------------------------------|--|--|
| <b>9.1 Reserves</b>                     |  |                                    |  |  |
| <b>(a) Asset revaluation reserves</b>   |  |                                    |  |  |
| <b>2023</b>                             |  |                                    |  |  |
| <b>Property</b>                         |  |                                    |  |  |
| Land and land improvements              | 12,017   | 4,977                              | -  | 16,994   |
| Buildings                               | 8,964  | (1,279)                            | -  | 7,685  |
|   | 20,981   | 3,698                              | -  | 24,679   |
| <b>Infrastructure</b>                   |  |                                    |  |  |
| Roads                                   | 103,868  | (1,960)                            | -  | 101,908  |
| Bridges                                 | 12,433   | 21,548                             | -  | 33,981   |
| Footpaths and cycleways                 | 944  | 506                                | -  | 1,450  |
| Drainage                                | 4,068  | -                                  | -  | 4,068  |
| Kerb and channel                        | 3,850  | 831                                | -  | 4,681  |
| Guardrail                               | -  | 91                                 | -  | 91   |
|   | 125,163  | 21,016                             | -  | 146,179  |
| <b>Total asset revaluation reserves</b> | <b>146,144</b>   | <b>24,714</b>                      | -  | <b>170,858</b>                                     |
| <b>2022</b>                             |  |                                    |  |  |
| <b>Property</b>                         |  |                                    |  |  |
| Land and land improvements              | 9,998  | 2,019                              | -  | 12,017   |
| Buildings                               | 5,226  | 3,738                              | -  | 8,964  |
|   | 15,224   | 5,757                              | -  | 20,981   |
| <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  |
|   | 100,709  | 24,454                             | -  | 125,163  |
| <b>Total asset revaluation reserves</b> | <b>115,933</b>   | <b>30,211</b>                      | -  | <b>146,144</b>                                     |

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

|                             | Balance at<br>beginning of<br>reporting period<br>\$'000 | Transfer from<br>accumulated<br>surplus<br>\$'000 | Transfer to<br>accumulated<br>surplus<br>\$'000 | Balance at end<br>of reporting<br>period<br>\$'000 |
|-----------------------------|--|---|---|--|
| <b>(b) Other reserves</b>   |  |   |   |  |
| <b>2023</b>                 |  |   |   |  |
| Accumulated Surplus         | 125,380  | -   | 6,495   | 131,875  |
| <b>Total Other reserves</b> | <b>125,380</b>   | <b>-</b>  | <b>6,495</b>                                    | <b>131,875</b>                                     |
| <b>2022</b>                 |  |   |   |  |
| Accumulated Surplus         | 114,893  | -   | 10,487  | 125,380  |
| <b>Total Other reserves</b> | <b>114,893</b>   | <b>-</b>  | <b>10,487</b>                                   | <b>125,380</b>                                     |

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
| <b>9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b> | <b>\$'000</b> | <b>\$'000</b> |
| Surplus/(deficit) for the year   | 6,495         | 10,487        |
| (Profit)/loss on disposal of property, infrastructure, plant and equipment             | 430           | (13)          |
| Depreciation   | 5,959         | 4,341         |
| Amortisation   | 52            |               |
| Financing activities included in operating result                                      | 17            | 23            |
| Fair value adjustments for investment property   | (75)          | (43)          |
| Other  | -             | -             |
| <i>Change in assets and liabilities:</i>   | -             | -             |
| (Increase)/decrease in trade and other receivables                                     | (1,160)       | 288           |
| (Increase)/decrease in other assets  | (812)         | 48            |
| (Increase)/decrease in prepayments   | (43)          |               |
| Increase/(decrease) in inventories   | (268)         | 6             |
| Increase/(decrease) in trade and other payables  | 627           | 884           |
| (Decrease)/increase in unearned income /revenue  | 2,941         | (1,708)       |
| (Decrease)/increase in trust funds & deposits  | 1,180         | (437)         |
| (Decrease)/increase in provisions  | (118)         | (26)          |
| Net cash provided by/(used in) operating activities                                    | <b>15,225</b> | <b>13,850</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 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022: 10.0%)).

#### **Defined Benefit**

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

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

#### **Funding arrangements**

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

A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022).

The financial assumptions used to calculate the 30 June 2023 VBI were:

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

As at 30 June 2023, 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 104.1%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.5% pa  
Salary information 2.5% pa to 30 June 2023, and 3.50% pa  
thereafter Price inflation (CPI) 3.0% pa

Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). Vision Super has advised that the estimated VBI at June 2023 was 104.1%.

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

## **Employer contributions**

### **(a) Regular contributions**

On the basis of the results of the 2022 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2023, this rate was 10.5% of members' salaries (10.0% in 2021/22). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2022 interim valuation.

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

### **(b) Funding calls**

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

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

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

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

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

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

### **The 2022 interim actuarial investigation surplus amounts**

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

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

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