



WARRNAMBOOL
CITY COUNCIL

Annual Report

2022-2023



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Report of Operations

For the year ended 30 June 2023



Introduction

Warrnambool City Council is committed to transparent reporting and accountability to the community.

The Annual Report 2022-2023 is the primary means of advising the Warrnambool City community about Council's operations and performance during the financial year.



Warrnambool City Council acknowledges the Peek Whurrong and Kirrae Whurrung Peoples of the Gunditjmara, Eastern Maar Nations as the Traditional Owners of the land, waterways and skies within Warrnambool municipality.



WARRNAMBOOL
CITY COUNCIL

The year in review



Mayor's message

I am pleased to present the 2022-2023 Annual Report.

This Annual Report, details Warrnambool City Council's achievements towards the strategic objectives of the 2021-2025 Council Plan. It is the third report of this Council.

The role of Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

In fulfilling its role, Council must consider the following overarching governance principles:

- Council decisions are to be made and actions taken in accordance with the relevant law;
- priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- the municipal community is to be engaged in strategic planning and strategic decision making; innovation and continuous improvement is to be pursued;

- collaboration with other Councils and Governments and statutory bodies is to be sought; the ongoing financial viability of the Council is to be ensured;
- regional, state and national plans and policies are to be taken into account in strategic planning and decision making;
- the transparency of Council decisions, actions and information is to be ensured.

Over the course of the year there were significant highlights including the opening in October 2022 of the new \$22.8m public library officially known as the Warrnambool Library and Learning Centre.

Opened by Minister for Training and Skills and Higher Education Hon Gayle Tierney MP, the library features a modern indoor-outdoor café, public computers, exhibition and display areas, places to study, meeting rooms, and a games and digital media zone. The top floor offers a quiet reading area with views across Lake Pertobe to the ocean.

The Victorian Government contributed \$16.3 million to the library, Council \$3.1 million and SW TAFE \$830,000 with contributions also coming from local philanthropic organisations.



Also in October, Warrnambool hosted its first AFLW football game at the redeveloped Reid Oval. The match between Essendon and Geelong drew one of the largest home and away crowds of the 2022 season and Council received positive feedback about the playing surface and facilities from players and club administration staff.

The new Lake Pertobe Adventure Playspace and a new Edwards Bridge were opened in December 2022. These were great improvements to the popular foreshore precinct and the new bridge includes better conditions for pedestrians and cyclists.

Council continued to advocate on behalf of the community for funding and was successful in attracting funding for Stage I of the redevelopment of Brierly Recreation Reserve.

Funding of \$384,000 was also secured for the Children's Services Centre to create a new Maternal and Child Health facility. Warrnambool South and Lions Hopkins kindergartens will share in a combined \$104,000 to create modern kitchens to allow the children to take part in supervised cooking activities as part of their kinder program.

Council also appointed a new Chief Executive Officer, Andrew Mason, who joined Council in February 2023, succeeding Peter Schneider, who had served in the role from early 2019.

Overall, this year we have delivered on more than 90 per cent



of our Council Plan commitments. I would like to thank my fellow Councillors for their commitment to the city and their ongoing efforts on behalf of residents. I also thank businesses, members of community groups and Council officers for all having contributed to improving the liveability and amenity of our city.

Cr Debbie Arnott
Mayor





Message from the Chief Executive Officer

It has been a great privilege to join Warrnambool City Council in early 2023 and to get to know the organisation over the second half of the financial year.

The Warrnambool municipality – including the City of Warrnambool and the townships of Allansford, Bushfield and Woodford – has a really bright future and is continuing to consolidate its role as the “capital of the South West” in terms of being a major centre for employment, professional services, education, manufacturing and health.

The annual report provides a detailed record of our financial

performance, charts our progress against the objectives in the Council Plan and showcases a number of the key outcomes achieved by Council for the community.

The best outcomes have always involved partnerships with our community so a huge thanks goes out to all the residents who took the time to provide us with feedback and ideas about how we could better deliver our projects and services.

I would like to take the opportunity to acknowledge the Councillors, the local community and Council staff who have all contributed to delivering our Council's vision and plan.

Andrew Mason
Chief Executive Officer

Financial Summary

Warrnambool City Council maintained a healthy financial position in 2022-2023. This is evidenced by:

- **Cash and Investments of \$48.3 million (up from \$37.8 million last year)**
- **Revenue of \$106.3 million (up from \$93.3 million last year)**
- **Borrowings of \$10.3 million (down from \$10.6 million last year)**
- **Income Statement Surplus of \$19.05 million (up from \$18.4 million last year)**

Information relating to Council's financial performance is included within the financial statements and performance statement sections of this report.

Economic or other factors impacting on Council's performance

Council continued to support Warrnambool's recovery from the pandemic in the 2022-2023 financial year, with economic support programs and supply of rapid antigen test kits to the community.

Many of Council's operations returned to full operating capacity, with the Lighthouse Theatre, Flagstaff Hill, Holiday Parks, and Aquazone all reporting higher patronage. This is evidenced through Council's user fee revenue increasing from a pandemic-affected \$16.3 million in the 2021-2022 financial year to a more normalised \$19.4 million in 2022-2023.

Inflationary pressures are being felt locally and across the nation, with impacts on global supply chains due to the international conflict and material shortages. Council is not immune to these pressures and has focussed on mitigating operational and project cost escalation through initiatives such as the Coastal Connect joint procurement project, whereby Council is partnering with neighbouring shires to implement a new enterprise software system.

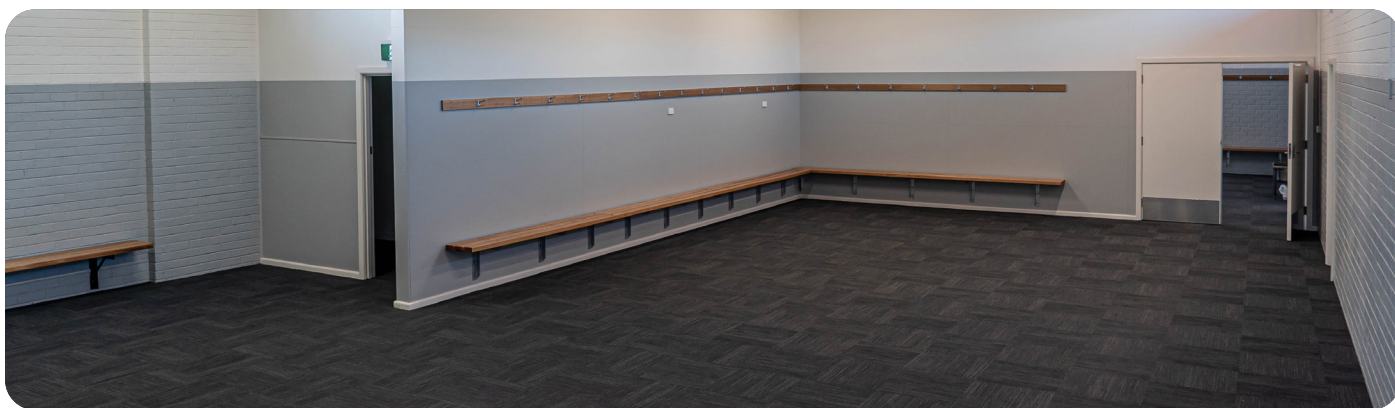
Increasing input costs also led to a large movement in the valuation of Council's assets. Every year Council assesses asset values in line with Australian Accounting Standards, and in 2022-2023, increasing land values and unit costs for materials led to Council increasing the value of its assets portfolio by \$86 million. Council is now responsible for maintaining \$886.7 million of assets for the Warrnambool community. This includes \$350 million of land and buildings, \$278 million of roads and bridges, \$90 million of drainage assets, and \$38 million of footpaths and cycle-ways. Other items managed include recreation and leisure assets, parks and open spaces, waste management assets, plant and equipment, airport assets, artwork, and IT equipment.

The Reserve Bank of Australia's monetary policy is also having an impact on economic conditions, and Council is continuing to monitor these decisions and its impact on both our financial sustainability and the Warrnambool community.

Council declared a rate increase of 1.75% for the 2022-2023 financial year in line with the State Government's "Fair Go Rates" legislation. A cap on rate increases represents a significant constraint on Council, with rates accounting for approximately half of all Council revenues.

Costs to deliver waste services continue to rise with significant increases to Environment Protection Authority royalties and waste processing costs. Increasing transport costs also contributed largely to the cost of Council's waste management program.





Council continues to support new residential development in Warrnambool, with a number of geographical growth areas supported through the planning scheme. We continue to see new housing delivered in the north, east, and west of Warrnambool, and new commercial properties created in the eastern commercial precinct. In 2022-2023, \$6.6 million worth of community assets (such as roads, footpaths, and drainage) were delivered by developers and contributed to public ownership.

Cost shifting continues to impact on Council's financial sustainability. Cost shifting occurs when local governments provide a service to the community on behalf of other levels of government (such as the State or Commonwealth Government). Often funding from other levels of government fails to keep up with cost increases to deliver the service, and Council has to contribute a greater proportion of funds each year to continue to deliver the service. This can be demonstrated through both Maternal and Child Health services, and School Crossings, whereby the original funding split was 50/50 with State Government, but now councils across the state contribute in excess of 60% of the funding.

Operating performance

Council's operating performance is reported on the Comprehensive Income Statement. Council reported an operating surplus of \$19.05 million, an increase of \$0.6 million from the previous financial year.

The operating surplus is generated to fund new and upgraded community assets, and renew existing assets so that they may continue to be enjoyed by the community. It also includes funds that are tied to particular purposes, such as the delivery of operating projects and obligations such as the repayment of Council's loans.

It should be noted that the operating surplus is influenced by a number of non-cash and once-off transactions and does not represent a cash surplus. For example, the \$19.05 million surplus includes a \$5.2 million payment from the Victorian Grants Commission that relates to the next financial year (2023-2024), and \$6.6 million worth of community assets handed to council from land developers, such as roads, footpaths, and drainage assets. Other non-cash items such as depreciation are included in the result.

Key results for 2022-2023

	Budget \$m	Actual \$m	Variance (Fav/Unfav) \$m	Variance %
Revenue	87.8	106.3	18.5	21%
Expenditure	79.3	87.2	(7.9)	(10%)
Net Surplus	8.5	19.1	10.6	124%

Cash and Investments	18.3	48.3	30.0	264%
Borrowings	14.0	10.3	3.7	26%
Net Assets	691.5	886.7	195.2	28%

Rates and Charges revenue	44.7	45.0	0.3	1%
Capital Expenditure	30.4	20.0	(10.3)	(34%)

Working capital

Working Capital is an indicator of an organisation's ability to meet its financial commitments in the next 12 months. The Working Capital Ratio at the end of the financial year was 240%, up from 196% the previous year. The variance is mainly due to additional cash holdings for the delivery of Council's capital works program, prepaid grants received for the 2023-2024 financial year, and funds held for the Coastal Connect project.

Borrowings

Council completed its final drawdown of borrowings for the Library and Learning Hub during the 2022-2023 financial year. No new borrowings were identified in Council's four year budget adopted in June 2023. Council maintains a responsible level of debt with borrowings well within local government prudential ratios.

Financial ratios

Council's financial ratios are explained further in the Performance Statement (included as an appendix to the annual report).

Ratio	2020	2021	2022	2023
Own Source Revenue per head of population	\$1,685.48	\$1,617.14	\$1,813.41	\$1,934.68
Expenses per head of municipal population	\$2,052.59	\$2,044.55	\$2,102.06	\$2,455.97
Working Capital	158.72%	158.93%	196.17%	240.34%
Indebtedness	15.09%	15.42%	17.03%	14.73%
Asset Renewal and Upgrade	101.76%	115.13%	131.15%	114.67%
Rates compared to property values	0.58%	0.58%	0.57%	0.42%



Highlights

Library and Learning Centre

In October the new Warrnambool Library and Learning Centre, situated at the Kepler Street campus of South West TAFE, was opened. The library proved immediately popular with the public and visitors to Warrnambool.

Funded by Council (\$3.12 million), the Victorian Government (\$16.3 million) and TAFE (\$830,000) the new library generated a surge in membership and visitation. The distinctive building has also received several architecture awards.



Edwards Bridge

In December the new Edwards Bridge was opened. This project involved the replacement of an old timber bridge with a new structure able to safely carry heavy vehicles including buses and trucks. This was an essential project that ensured there were two exit and access points to the Foreshore Precinct. It also means that large, heavy machinery can reach the Port of Warrnambool for maintenance of infrastructure including the breakwater.



Recently Elected Member for Western Victoria Jacinta Ermacora MP, Federal Labor Senator for Victoria Raff Ciccone and Mayor Debbie Arnott cut the ribbon at Edwards Bridge

Lake Pertobe Adventure Playspace

The new Lake Pertobe Adventure Playspace was opened in December. Funded equally by Council and the Australian Government through its Building Better Regions fund, the replacement of ageing playground equipment had been identified as a priority in the Lake Pertobe Master Plan. The design of the new playground was done with the involvement of the community.

The new playspace features swings, including an all-abilities swing with full harness, water splash play area with hand-operated pump, a carousel that can accommodate a wheelchair, log channel, talking tubes, butterfly sundial and a network of footpaths that make getting to the different elements of this playground very easy. A centrepiece is a 9m tower with an enclosed slide.



Highlights

AFLW comes to Warrnambool

The upgrade of Reid Oval last financial year – both the playing surface and the pavilion – was the catalyst for Warrnambool being in a position to host its first AFLW match. The game between Geelong and Essendon in October 2022 drew a crowd of 3,808, one of the largest of the home and away games in the AFLW competition.



McGennan Amenities Building

Construction was commenced on another important foreshore project, the replacement of the McGennan toilet block with a new accessible, inclusive amenities building. When it is finished in the second half of 2023, the new building, identified as a priority in the Lake Pertobe Master Plan, will feature improved accessibility, junior toilets, baby change tables, bench seats, external warm showers. The \$814,000 project has been funded by Council and the Australian Government's Building Better Regions fund.



Jetty Flat Pavilion

The Jetty Flat Pavilion was officially re-opened in March following a \$980,000 upgrade that created two new change areas and amenities that were non gender-specific and which provided clear separation between club amenities and the general public.

The upgrade allowed for a clear line of sight from the pavilion to the BMX track to the south and the cricket oval to the north.

Designated umpires amenities now include a separate shower, toilet and changing space while the shared community and social spaces can be transformed from one space to two.

The south-facing canteen servery will have a clear view of the BMX track, so that volunteering and watching children participate are not mutually exclusive.

Council was successful in its application to the Victorian Government's Local Sports Infrastructure Fund seeking \$500,000 for the project. Council committed \$395,000 towards the project, while a further \$30,000 came from Cricket Victoria and \$55,000 from the Warrnambool BMX Club and Russells Creek Cricket Club.



Highlights

Merri River kayak launch

Warrnambool's Merri River was made accessible to paddlers of all abilities with the opening of the kayak pontoon on Woodend Road.

The floating pontoon has all ability access which provides for people of limited mobility and wheelchairs to access the waterway for kayaking, canoeing, fishing and other recreational activities.

The pontoon has been installed by Warrnambool City Council through the Glenelg Hopkins CMA's Merri Connections Projects, which has been funded by the Victorian Government through the Recreational Water Values Program.

The \$400,000 funding also support enhanced pedestrian access to the Merri River through the construction of all-weather walking track paths and seating on top of the floating pontoon.



Small Infrastructure Fund

In July Council allocated \$30,000 to the Warrnambool Artists Society to improve a car park; \$150,000 to the Warrnambool Community Gardens for stage two of its quarry project while \$30,000 was allocated for change shelters at McGennan Car Park.

In September Council allocated \$45,000 from the Small Infrastructure Fund to the Dennington Bowls Club to enable the construction of a shelter over a new barbecue area and to light the car park area at the club.

Council also allocated \$39,000 to the Warrnambool Dog Training Club as a contribution towards the construction of a storage facility at the Harris Street Reserve site.

The Ideas Place

In January Council opened applications for its Ideas Place program, which supports innovative business ideas. The program included a series of masterclasses, seminars and events with industry experts who will help you get innovative businesses or products market-ready.

The Ideas Place is a partnership between the Warrnambool City, Moyne Shire and Corangamite Shire councils, South West TAFE, Food and Fibre Great South Coast, Deakin University and LaunchVic.



Highlights

Community Development Fund

Council allocated \$140,000 to the Community Development Fund in 2022-2023.

Fifty applications requesting \$196,875 were submitted under the 2022-2023 funding round.

All applications were assessed against the fund criteria. Once assessed, applications were ranked according to project merit, equity, and the balance of funds available. Based on ranking and the ability to meet eligibility a total of \$110,036 was funded.

Allocation summary:

- Sport and Recreation \$63,753
- Culture and Arts \$30,587
- Environment and Sustainability \$15,696

The following organisations and projects were funded.

Organisation	Project Title	Amount
Warrnambool Rangers Football Club	Junior goals	\$5,000
Warrnambool Rifle Club	Purchase of essential equipment	\$5,000
Warrnambool Roller Derby	Purchase of essential equipment	\$1,540
Rotary Club of Warrnambool Daybreak	Purchase of essential equipment	\$4,429
One Day Studios	Recycled bottle tops art project	\$5,000
Warrnambool & District Historical Society	Purchase of essential equipment	\$3,147
Warrnambool Ukulele Group	Purchase of essential equipment	\$1,554
Beach Patrol 3280-3284	Community Beach Cleans	\$4,793
Coast Care Land Care	Weed control	\$2,035
Old Collegians Football Netball Club	Purchase of essential equipment	\$5,000
Warrnambool Organ Festival	Faure's Requiem	\$4,250
F-Project	Youth Arts Space	\$3,154
Friends of Victoria Park	Removal of invasive weed species	\$2,420
Warrnambool Toy Library	Purchase of essential equipment	\$5,000
Warrnambool Volleyball Association	Purchase of essential equipment	\$4,075
Warrnambool Kayak Club	Increased Awareness of club activities	\$2,947
Warrnambool Model Railway Club	Purchase of essential equipment	\$2,810
Warrnambool Theatre Company	Microphones for The Wizard of Oz	\$4,653
Warrnambool Squash Club	Purchase of essential equipment	\$4,974
Warrnambool Little Athletics Centre	Purchase of essential equipment	\$5,000
Warrnambool Camera Club	Purchase of essential equipment	\$4,400
Warrnambool Ultimate	Purchase of essential equipment	\$3,535
Warrnambool St Ayles Skiff Community Rowing Club	Purchase of essential equipment	\$5,000
Warrnambool City Croquet Club	Purchase of essential equipment	\$5,000
Breakwater Barbell	Purchase of essential equipment	\$5,000
Warrnambool Men's Shed	Purchase of essential equipment	\$5,000
Dennington Bowls Club	Purchase of essential equipment	\$1,740
Warrnambool Wolves Football Club	Purchase of essential equipment	\$2,132
Friends of Swan Reserve	Purchase of essential equipment	\$1,448

Highlights

Unretire the 'Bool

To help tackle labour shortages, in February Council launched a campaign to encourage retired people to re-enter the workforce. The program aimed to provide mutual benefits with the "unretired" worker gaining income and involvement in the social side of a workplace while the employer gains an extra set of hands and someone with great life and work experience.



Warrnambool and Moyne Youth Award winners

For the first time since 2019, a large crowd gathered in-person to celebrate the winners and nominees of the 2022 Warrnambool and Moyne Youth Awards.

The award ceremony was held on Sunday September 11 at Deakin University's Warrnambool Campus.

Warrnambool award winners were Akira Fish-Laird (12-15 age category), Paris Nagorcka (16-18 age category) and Sidney Davies (19-25 age category) while Sahara Davey (12-15 age category), Tayla Spencer (16-18 age category) and Mitchell Spencer (19-25 age category) were recognised as the Moyne winners.

Runners up included Rachel Nsubuga, Charlee Sutcliffe, Chloe Matthey, Hayley Nagorcka, Sam Niklaus, Jermaine Ferguson, Sienna Gladstone, Brianna Hallinan and Keneisha Ferguson.



Putting live music centre stage

Warrnambool hosted over 75 performances across 10 days in a bumper live music program aimed at giving our local musicians, hit hard by the pandemic, a boost while putting live music centre stage.

Warrnambool Live ran from September 9 to September 18, finishing with a 'Celebration of Live Music' concert on the Civic Green.

Buskers took to the CBD streets while Gateway Plaza hosted a performance hub.

Along with providing support for an industry significantly impacted by COVID-19, Warrnambool Live hoped to chart a course forward for the region's live music scene.

Warrnambool Live included a professional development session for musicians in the form of a forum on September 28 at the Lighthouse Theatre.





Description of operations

Warrnambool City Council provides a diverse range of services which include: the building and maintenance of municipal roads, footpaths, cycling paths and public amenities; waste management; tourism and economic development; Meals on Wheels, respite care, early childhood services, recreation services including provision and maintenance of sporting facilities; planning; a live performance theatre, aquatic centre, art gallery, sporting stadium, a visitor information centre, maritime museum and village tourism attraction.

Council's vision, strategic objectives and strategies to maintain or improve services and facilities are described in the Council Plan 2021-2025, the 2022-2023 Council budget and the annual report. The delivery of services, facilities, support and advocacy to achieve the Strategic Objectives is measured by a set of service performance indicators and measures. Council has a wide range of responsibilities under Victorian and Australian legislation.

Economic factors

The rising cost of construction nation-wide also impacts on local government, not only building projects but also road maintenance.

Major capital works

Edwards Bridge

The new \$4.6 million Edwards Bridge was officially opened in December 2022. The new bridge replaced an older timber bridge from the late 1800s that could not support heavier vehicles.

The new bridge retains the character of the old with the side railings reminiscent of the previous structure, and a “wood grain” stencil has been used on the concrete footpath.

Safety for pedestrians and bike riders has been improved, with the new bridge having pedestrian walkways on both sides along with on-road bike lanes.

The new bridge also means that a 15 tonne load limit has been lifted. Due to the iconic Norfolk Pines on Pertobe Road, Stanley Street and Edwards Bridge represent the only way many heavy vehicles can access the Port of Warrnambool.



McGennan Amenities Building

This \$814,000 project began in February 2023 with the demolition of an older, less accessible building.

The new building, featuring timbers salvaged from the original Edwards Bridge, will contain two accessible toilets including junior toilets, baby change tables, bench seats and vanity; two ambulant toilets with bench seats and hooks; three other cubicles with bench seats and hooks; a communal hand wash basin area; and four warm water external showers, two of which are accessible.



Library and Learning Centre

Warrnambool's new \$22.8m public library was officially opened on Saturday, October 22, by Minister for Training and Skills and Higher Education Hon Gayle Tierney MP.

The Victorian Government contributed \$16.3 million to the library, Council \$3.1 million and SW TAFE \$830,000 with contributions also coming from local philanthropic organisations.

The library features a modern indoor-outdoor café, public computers, exhibition and display areas, places to study, meeting rooms, and a games and digital media zone. The top floor offers a quiet reading area with views across Lake Pertobe to the ocean.

Situated at 8 Kepler Street on the campus of SW TAFE, the library comprises a three-storey building and the refurbishment of the adjoining heritage building.

The project supported around 280 jobs during construction, including 47 apprentices. More than 20 per cent of the project's work hours were completed by trainees and apprentices.



Major capital works

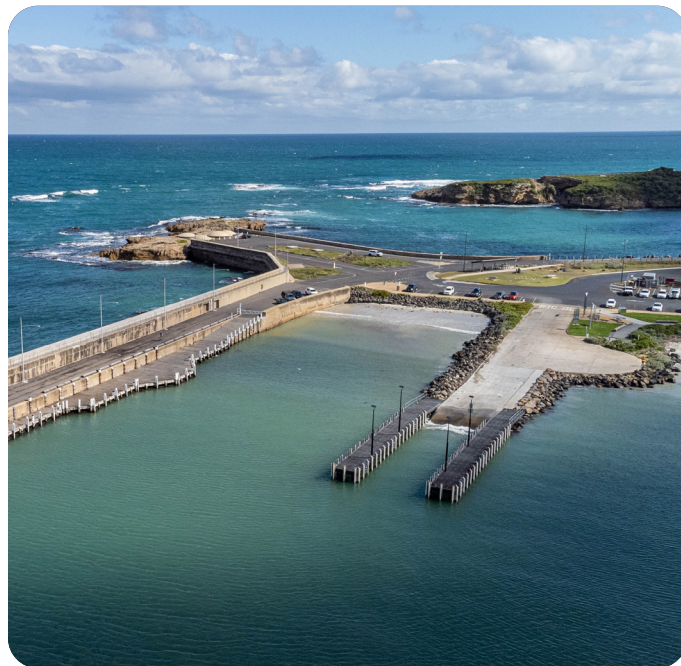
Port of Warrnambool boat ramp upgrade

The Port of Warrnambool boat ramp reopened in following a comprehensive upgrade.

The concreted ramp entry was made longer and safer, parking and turning space at the ramp was increased and jetties to the north and south of the ramp were rebuilt and improved.

The project was funded with \$3.5 million worth of funding from Better Boating Victoria (BBV), which reinvested boaters licence and registration fees through the Better Boating Fund.

Complementary dredging was carried out near the ramp which to help mitigate the wave and swell experienced at the ramp. The ramp upgrade and dredging were key components of the Victorian Government's \$4.75 million works package at the iconic harbour and breakwater.



Lake Pertobe Adventure Playspace

The new Lake Pertobe Adventure Playspace, funded by the Australian Government's Building Better Regions fund and Council, opened in December 2022.

The new playspace features swings, including an all-abilities swing with full harness, water splash play area with hand-operated pump, a carousel that can accommodate a wheelchair, log channel, talking tubes, butterfly sundial and a network of footpaths that make getting to the different elements of this playground very easy.

A centrepiece is a 9m tower with an enclosed slide.



Brierly Reserve Redevelopment

In April the outdated pavilion at Brierly Recreation Reserve was demolished, marking the beginning of on-site work of Stage One of the redevelopment.

Design work is under way for an upgrade to the field of play on the eastern oval, which will incorporate two full-sized soccer pitches with a synthetic cricket wicket in between, allowing both Brierly Christ Church Cricket Club and Warrnambool Rangers Football Club to host matches at the venue.

The redevelopment also includes drainage, sub-surface irrigation, fencing and lighting with a capacity of 200 lux. The construction of these elements will start in 2023 and be completed in mid-2024.

In October 2022 the Victorian Government, through its Local Sports Infrastructure Fund, committed \$1 million for the Stage One redevelopment of Brierly Reserve. Council will also contribute up to \$1 million towards Stage One.



Major changes

In November 2022 Council made a decision to close the South-West Victorian Livestock Exchange. Declining throughput, an alternative saleyards operation in nearby Mortlake and the large cost to make the livestock exchange viable were key factors behind the decision.

In 2022-2023 Council continued to explore options for the potential siting of a new art gallery building to replace the existing cramped and outdated facility in Liebig Street. A business case found that a new building at Cannon Hill was not economically viable so Council voted to have a second business case examine the potential viability of a new building at the current site at the edge of the Civic Green.



Major achievements

Council hosted the Health in a Changing Climate forum on May 25, 2023.

With the World Health Organisation highlighting climate change as the biggest threat to human health this century the forum aimed to showcase good work already being done along with encouraging connections and collaboration between peak bodies, organisations, schools, workplaces and grassroots community groups.

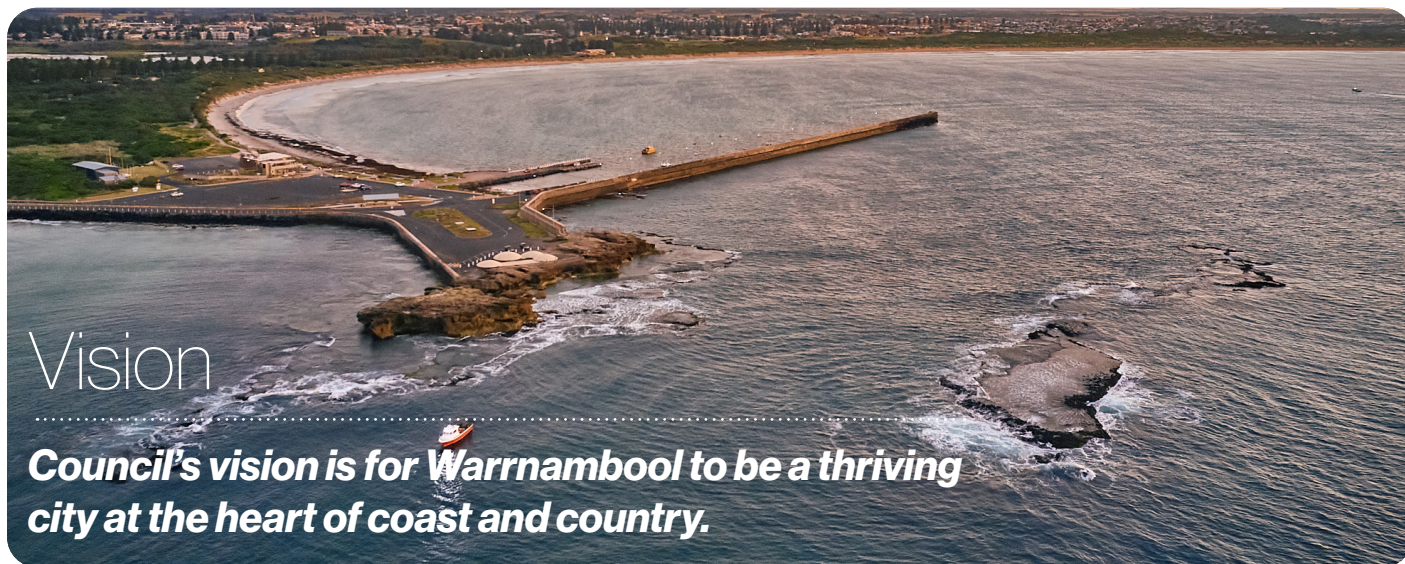


Snapshot of council

Warrnambool City Council includes the City of Warrnambool and the townships of Allansford, Bushfield and Woodford.

In 2022 the estimated residential population was 35,520 and the municipality's population density was 294.1 people per square kilometre.

The average household size is 2.32 and the median age is 42.



Values



Accountability

We will be responsible and take ownership of our actions and decisions by being ethical, honest and transparent.

Collaboration

We will foster effective relationships through engagement, communication and co-operation, supporting decisions and outcomes for the benefit of all.

Respectfulness

We will treat everyone with dignity, fairness and empathy, providing others with the opportunity to share views and be heard.

Progressiveness

We will evolve and grow by encouraging development, change and continuous improvement in all that we do.

Wellbeing

We will commit to providing a safe and healthy workplace that promotes staff engagement, performance and achievement, allowing employees to flourish for the benefit of themselves and the organisation.

Council's Asset Plan 2022-2032 includes details on Council's tangible assets which are valued at more than \$860 million and include:

Roads and off-street car parks: 2,700,000m² sealed; 200,000m² unsealed.

Kerb and channel: 490 km.

Bridges and major culverts: 61.

Paths: 350km concrete and sealed paths, 21km gravel and natural paths, 2.6km timber paths.

Drainage (stormwater): 11,399 Pits and 265km piping.

Buildings: more than 350.

Age structure - Service age groups

Warrnambool City - Total persons (Usual residence)	2021			2016			Change
Service age group (years)	Number	%	Regional VIC %	Number	%	Regional VIC %	2016 to 2021
Babies and pre-schoolers (0 to 4)	1,828	5.2	5.4	1,950	5.8	5.8	-122
Primary schoolers (5 to 11)	2,967	8.4	8.4	2,898	8.6	8.7	+69
Secondary schoolers (12 to 17)	2,638	7.5	7.2	2,591	7.7	7.4	+47
Tertiary education and independence (18 to 24)	2,695	7.6	7.3	3,127	9.3	7.9	-432
Young workforce (25 to 34)	4,509	12.7	11.7	4,061	12.1	10.9	+448
Parents and homebuilders (35 to 49)	6,394	18.1	17.6	6,184	18.4	18.1	+210
Older workers and pre-retirees (50 to 59)	4,553	12.9	13.1	4,413	13.1	13.9	+140
Empty nesters and retirees (60 to 69)	4,479	12.6	13.6	3,985	11.8	13.4	+494
Seniors (70 to 84)	4,281	12.1	13.0	3,466	10.3	11.1	+815
Elderly aged (85 and over)	1,065	3.0	2.7	969	2.9	2.7	+96
Total	35,409	100.0	100.0	33,644	100.0	100.0	+1,765

Analysis of the service age groups of Warrnambool City in 2021 compared to Regional VIC shows that there was a similar proportion of people in the younger age groups (0 to 17 years) and a lower proportion of people in the older age groups (60+ years).

Overall, 21.0% of the population was aged between 0 and 17, and 27.7% were aged 60 years and over, compared with 21.0% and 29.3% respectively for Regional VIC.

The major differences between the age structure of Warrnambool City and Regional VIC were:

- A larger percentage of 'Young workforce' (12.7% compared to 11.7%)
- A smaller percentage of 'Empty nesters and retirees' (12.6% compared to 13.6%)
- A smaller percentage of 'Seniors' (12.1% compared to 13.0%)
- 84.8% were born in Australia
- 1.7% were born in England
- 1.1% were born in New Zealand

17,310 people living in Warrnambool City in 2021 were employed, of which 55% worked full-time and 38% part-time.



Industry sector of employment

Warrnambool City - Employed persons (Usual residence)	2021			2016			Change
Industry sector	Number	%	Regional VIC %	Number	%	Regional VIC %	2016 to 2021
Agriculture, Forestry and Fishing	507	2.9	7.2	461	3.0	7.7	+46
Mining	66	0.4	0.7	62	0.4	0.7	+4
Manufacturing	1,562	9.0	7.4	1,473	9.4	8.1	+89
Electricity, Gas, Water and Waste Services	269	1.6	1.4	229	1.5	1.5	+40
Construction	1,489	8.6	10.0	1,202	7.7	8.8	+287
Wholesale trade	369	2.1	2.2	512	3.3	2.2	-143
Retail Trade	2,071	12.0	9.5	1,968	12.6	10.6	+103
Accommodation and Food Services	1,367	7.9	6.6	1,365	8.7	7.0	+2
Transport, Postal and Warehousing	523	3.0	3.8	519	3.3	3.9	+4
Information Media and Telecommunications	127	0.7	0.8	143	0.9	1.0	-16
Financial and Insurance Services	277	1.6	1.9	287	1.8	1.9	-10
Rental, Hiring and Real Estate Services	182	1.1	1.0	181	1.2	1.1	+1
Professional, Scientific and Technical Services	711	4.1	4.5	611	3.9	4.2	+100
Administrative and Support Services	461	2.7	2.8	423	2.7	2.8	+38
Public Administration and Safety	929	5.4	6.3	784	5.0	6.1	+145
Education and Training	1,619	9.4	8.8	1,453	9.3	8.7	+166
Health Care and Social Assistance	3,357	19.4	16.2	2,578	16.5	14.3	+779
Arts and Recreation Services	225	1.3	1.5	250	1.6	1.5	-25
Other Services	623	3.6	3.6	568	3.6	3.6	+55
Inadequately described or not stated	553	3.2	3.9	545	3.5	4.0	+8
Total employed persons aged 15+	17,287	100.0	100.0	15,614	100.0	100.0	+1,673

Selected subpopulation categories

Warrnambool City - Total people (Usual residence)	2021			2016			Change
Population group	Number	%	Regional VIC %	Number	%	Regional VIC %	2016 to 2021
Males	17,033	48.1	49.2	16,157	48.0	49.1	+876
Females	18,369	51.9	50.8	17,502	52.0	50.9	+867
Aboriginal and Torres Strait Islander population	707	2.0	2.0	556	1.7	1.6	+151
Australian citizens	31,691	89.5	88.6	29,788	88.5	88.2	+1,903
Eligible voters (citizens aged 18+)	24,882	70.3	69.4	22,940	68.2	68.1	+1,942
Population over 15	29,221	82.5	82.4	27,547	81.8	81.8	+1,674
Employed Population	17,310	96.9	95.9	15,606	94.7	94.0	+1,704
Overseas visitors (enumerated)	27			293			-266

Our council

Municipal profile

The Warrnambool municipality covers an area of 120sqkm and is situated in the Great South Coast region of Victoria, 263km south-west of Melbourne.

It contains the coastal city of Warrnambool and the towns of Allansford, Bushfield and Woodford.

Warrnambool has a growing population and over recent years has attracted people seeking a seachange and those from the surrounding region who are seeking professional and educational opportunities.

Stunning Lady Bay provides a focal point and major attraction for residents and visitors and in winter and spring the bay is home to southern right whales and their calves.

Warrnambool serves as a centre for a regional population of about 120,000 people. It contains a TAFE college, a Deakin University campus including a School of Medicine and a base hospital which is part of South West Healthcare. The major employment sectors are health care and social assistance, retail, manufacturing, education and training, accommodation and food services, professional services and construction.

Warrnambool has a moderate climate with an average maximum summer temperature of about 24°C, while the average winter maximum is about 14°C.

The Great South Coast region features major visitor attractions including the 12 Apostles, Tower Hill and Budj Bim National Park. Along with the natural attractions visitors are drawn to events including the speedway car racing, the May Racing Carnival and surf lifesaving events.

The region also features some of Australia's most fertile agricultural land much of which is dedicated to dairy and beef production. Major dairy manufacturers and a large meat processor are situated in and around Warrnambool providing a major source of employment.

Contacting Council

Warrnambool City Council

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25 Liebig Street
Warrnambool 3280
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Email: contact@warrnambool.vic.gov.au
Website: www.warrnambool.vic.gov.au
Postal address: P.O. Box 198, Warrnambool 3280

Our Councillors

The council was elected to provide leadership for the good governance of the municipal district and the local community.

In 2020 the Warrnambool City Council community elected this Council for a four-year term. The municipality is represented by seven Councillors without wards. Councillors have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. The Councillors are listed below.



Cr Debbie Arnott (Mayor)

Date elected: October 2020
E: darnott@warrnambool.vic.gov.au
M: 0438 034 169



Cr Vicki Jellie AM

Date elected: October 2020
E: vjellie@warrnambool.vic.gov.au
M: 0437 937 810



Cr Max Taylor (Deputy Mayor)

Date elected: October 2020
E: mtaylor@warrnambool.vic.gov.au
M: 0438 091 575



Cr Angie Paspaliaris

Date elected: October 2020
E: apaspaliaris@warrnambool.vic.gov.au
M: 0418 595 745



Cr Otha Akoch

Date elected: October 2020
E: oakoch@warrnambool.vic.gov.au
M: 0437 906 424



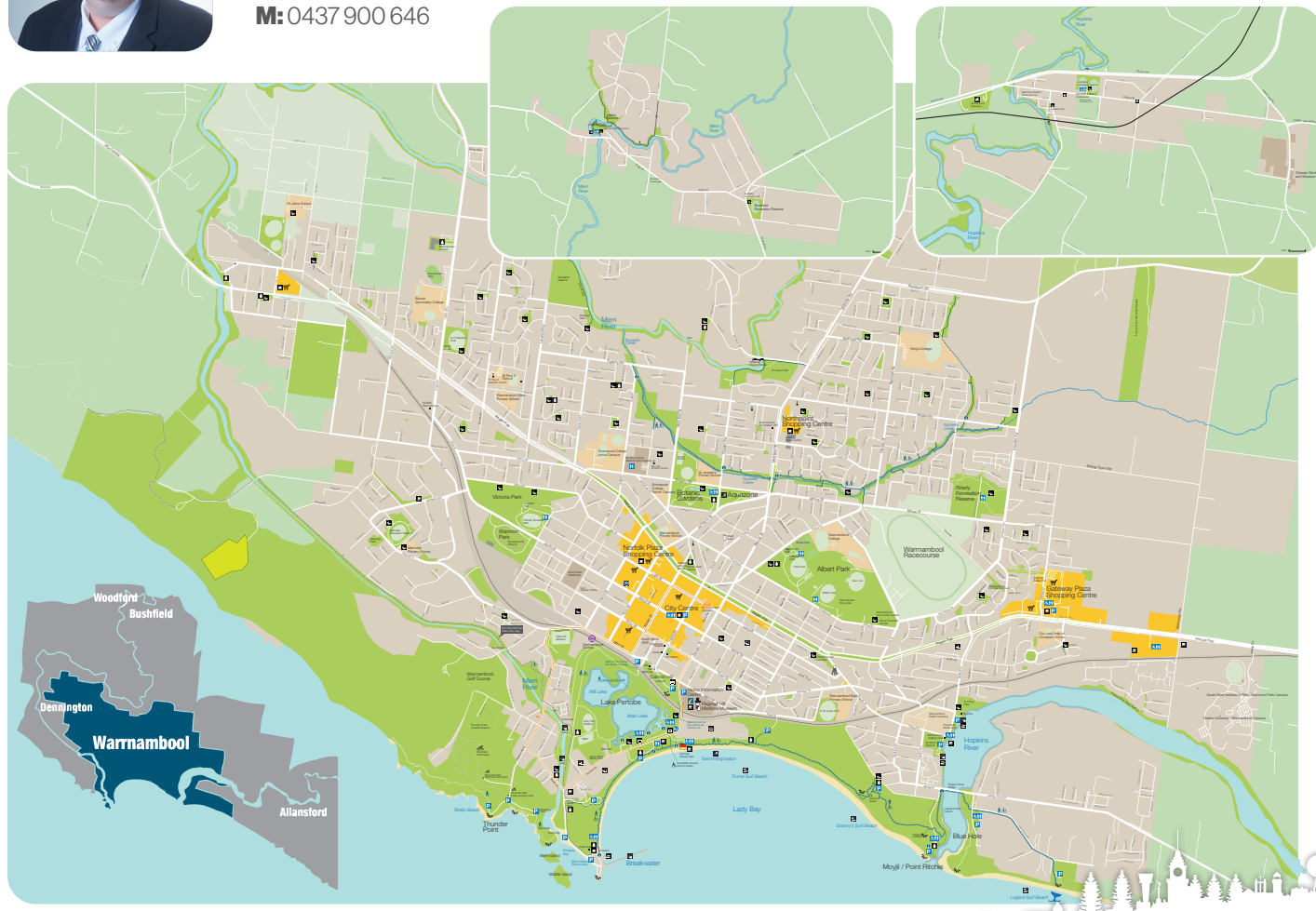
Cr Richard Ziegeler

Date elected: October 2020
E: rziegeler@warrnambool.vic.gov.au
M: 0437 928 490



Cr Ben Blain

Date elected: October 2020
E: bblain@warrnambool.vic.gov.au
M: 0437 900 646



Our people

Council is the governing body that appoints a Chief Executive Officer (CEO).

The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan. Four Directors and the CEO form the Executive Management Team (EMT) and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.

Chief Executive Officer

Andrew Mason

Senior officers reporting directly to the CEO:

Director City Growth

Luke Coughlan

Areas of responsibility: economic development and investment; city strategy and development; tourism.

Director City Infrastructure

David Leahy

Areas of responsibility: infrastructure services, city amenity, facilities and projects.

Director Community Development

Ingrid Bishop

Areas of responsibility: community planning and policy, recreation and culture; capacity, access and inclusion; children's and family services.

Director Corporate Strategies

Peter Utri

Areas of responsibility: financial services, organisational development, communications, information technology, livestock exchange (decommissioning).

Manager Governance

James Plozza

Areas of responsibility: governance.

COUNCIL

Chief Executive Officer

Manager Governance

Executive Assistant

Director Corporate Strategies

Manager Financial Services

Manager Organisational Development

Executive Manager IT Strategy and Transformation Shared Services

Manager Communications

Director City Growth

Manager Tourism

Manager Economic Development

Manager City Strategy and Development

Director Community Development

Manager Community Planning and Policy

Manager Capacity, Access and Inclusion

Manager Recreation and Culture

Manager Children's and Family Services

Director City Infrastructure

Manager Strategic Assets, Property and Projects

Manager Infrastructure Services

Manager Sustainability and Compliance

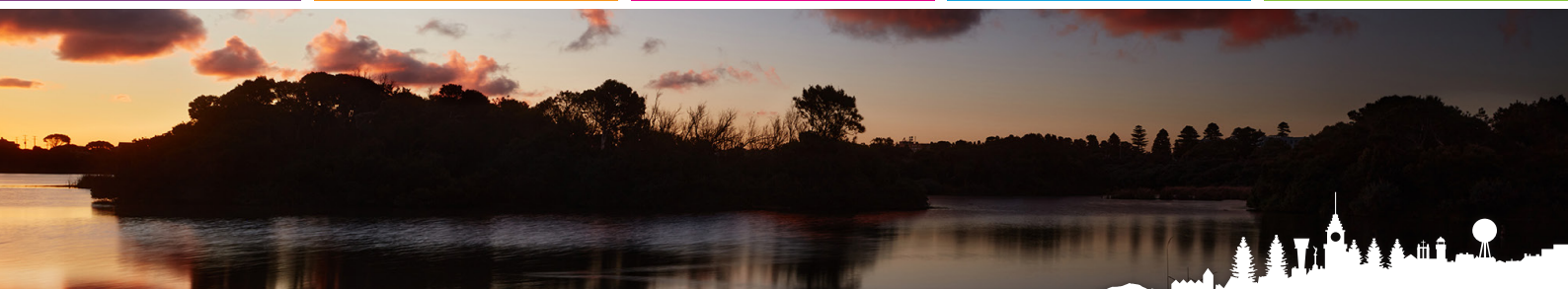
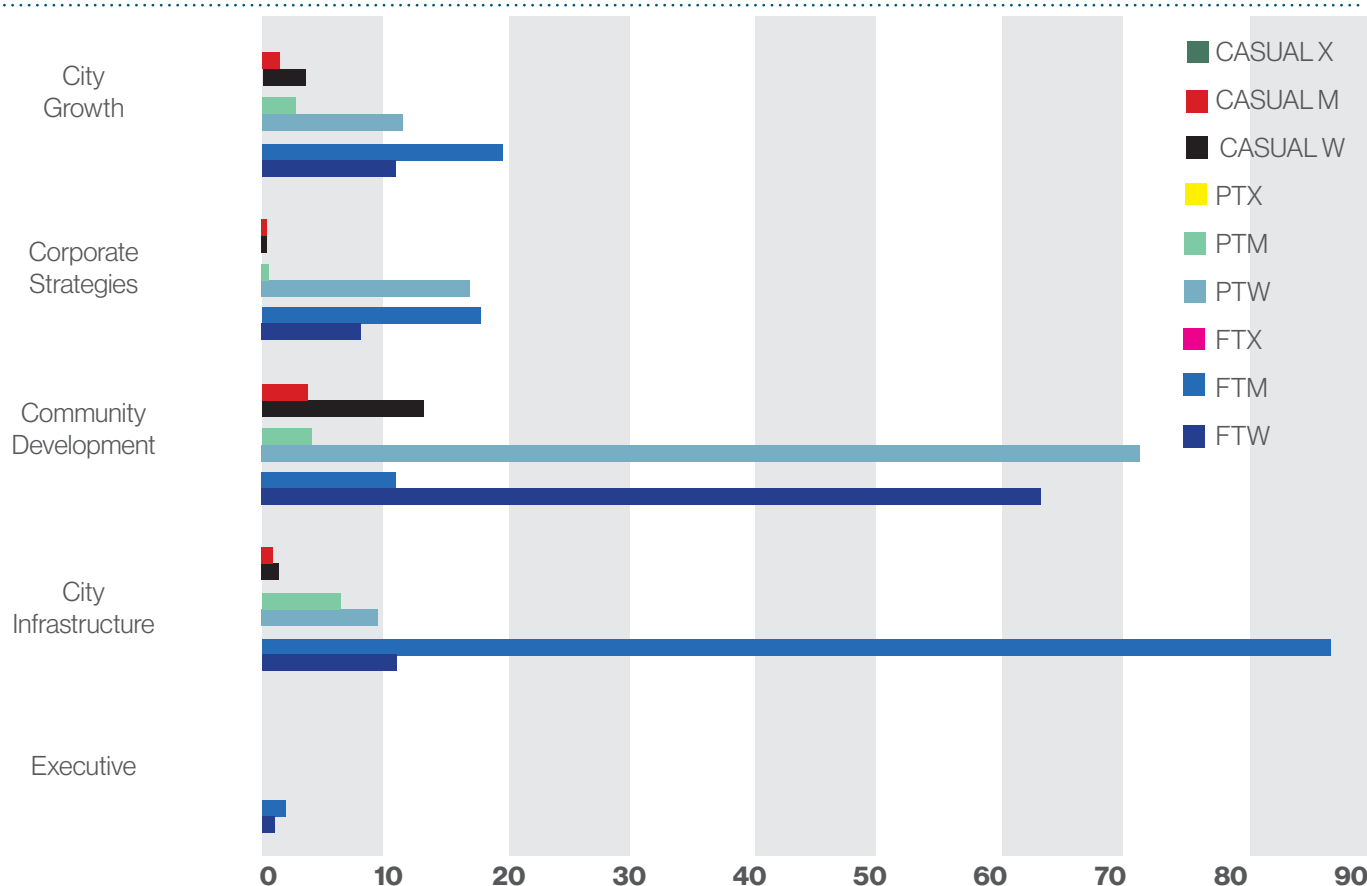
Council staff

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

Employee type/ gender	Executive Services	City Infrastructure	Community Development	Corporate Strategies	City Growth	Total
	FTE	FTE	FTE	FTE	FTE	FTE
Permanent FT – W	1	11	64	8	11	95
Permanent FT – M	2	88	11	18	20	139
Permanent FT – X	0	0	0	0	0	0
Permanent PT – W	0	9.5	72.4	17.3	11.5	110.7
Permanent PT – M	0	6.6	4.2	0.6	2.8	14.2
Permanent PT – X	0	0	0	0	0	0
Casual – W	0	1.5	13.2	0.3	3.5	18.5
Casual – M	0	0.9	3.7	0.2	1.4	6.2
Casual – X	0	0	0	0	0	0
Total	3	117.5	168.5	44.4	50.2	383.6

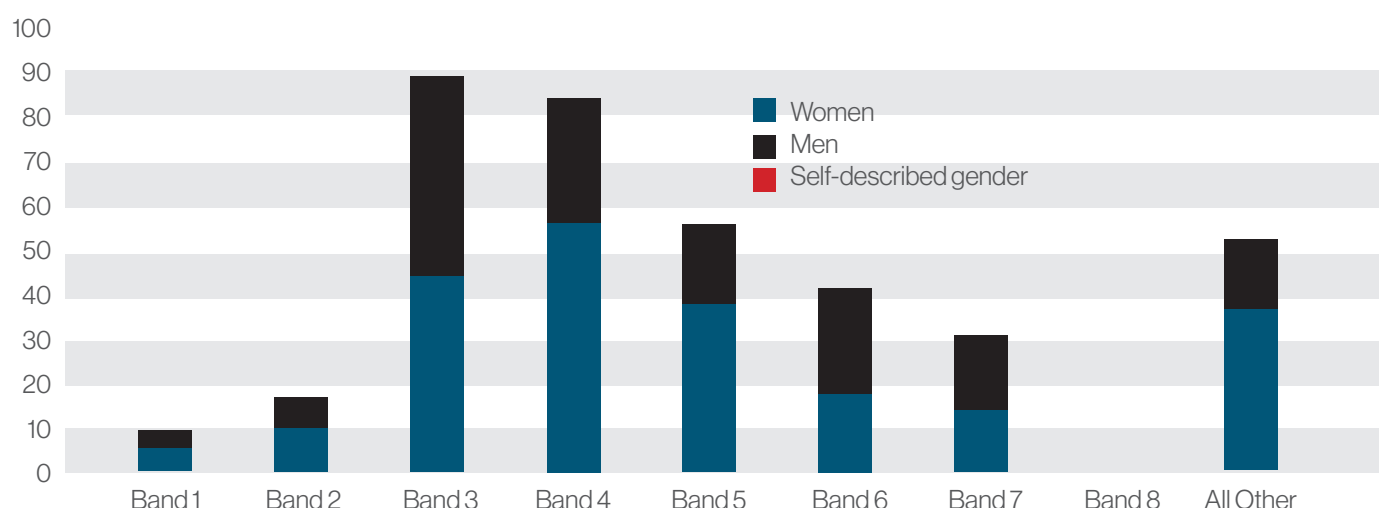
Legend: FT-Full time, PT-Part time, W-Women, M-Men, X- persons of self-described gender.

FTE staff summary



Classification and gender

Classification	Women	Men	Self-described gender	Total
	FTE	FTE	FTE	FTE
Band 1	6.5	3.9	0	10.4
Band 2	9.9	7.6	0	17.5
Band 3	44.9	44.6	0	89.5
Band 4	56.5	28.1	0	84.6
Band 5	38.5	17.9	0	56.4
Band 6	17.6	24.5	0	42.1
Band 7	14.1	17	0	31.1
Band 8	0	0	0	0
All Other	36.3	15.7	0	52
Total	224.3	159.3	0	383.6



Other staff matters

Gender Equality

In September 2022 Council adopted a Gender Equality, Inclusion and Diversity Policy that encourages and enforces:

- maintaining a safe and inclusive working environment that is respectful of individual differences and attributes;
- recruitment and retention of a skilled and diverse workforce that is free of discrimination and eliminating artificial barriers to career progression;
- development and offering of flexible work practices to meet the differing needs of employees in the context of operational requirements;
- providing a fair and equitable recruitment process that appoints individuals based on merit, as well as actively ensuring gender equity in remuneration; and
- fostering a culture, including through education and training, that promotes diversity and rewards people for furthering the objectives of the policy.

Volunteers

In celebration of National Volunteer Week (May 15 – 21) Council acknowledged the contributions of Council's 350 volunteers to programs and events, by hosting a celebratory evening at the Lighthouse Theatre.

Significant work was undertaken to develop a Volunteer Reference Group which aims to provide a direct channel of communication between Council and the volunteer workforce, enabling an exchange of information, advice, ideas and an avenue for volunteers to provide input towards quality improvement processes that impact volunteer engagement.

Child safe

Roll out of the updated mandatory Child Safety Training Module began in September 2022, inclusive of the requirement to review Council's updated Child Safety Policy. So far 376 employees have completed this training.



WARRNAMBOOL
city council

Report of Operations

For the year ended 30 June 2023

Our performance

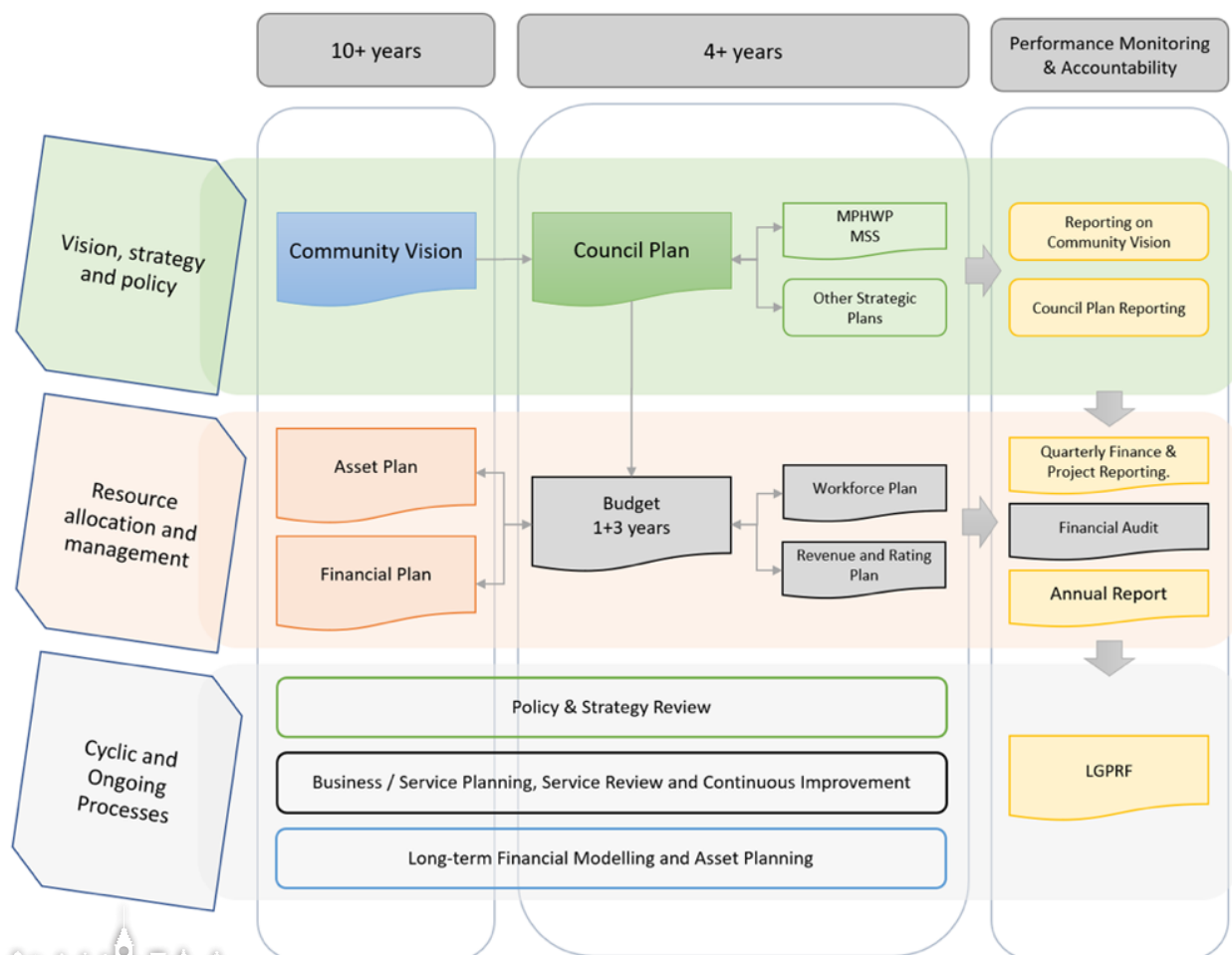
Integrated strategic planning and reporting framework

Part 4 of the *Local Government Act 2020* (the Act) requires councils to prepare the following:

- A Community Vision (for at least the next 10 financial years);
- A Council Plan (for at least the next 4 financial years);
- A Financial Plan (for at least the next 10 financial years);
- An Asset Plan (for at least the next 10 financial years);
- A Revenue and Rating Plan (for at least the next 4 financial years);
- An Annual Budget (for the next 4 financial years);
- A Quarterly Budget Report;
- An Annual Report (for each financial year); and
- Financial Policies.

The Act also requires councils to prepare a Workforce Plan (including projected staffing requirements for at least 4 years);

The following diagram shows the relationships between the key planning and reporting documents that make up the integrated strategic planning and reporting framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback.



Council Plan

The Council Plan 2021-25 includes strategic objectives, strategies for achieving these for the four year period, strategic indicators for monitoring achievement of the strategic objectives and a Strategic Resource Plan. The following are the five strategic objectives as detailed in the council plan.

1. A healthy community

We will be a healthy, inclusive and thriving community with equitable access to services, cultural opportunities and recreational activities.

2. A sustainable environment

We will protect and strengthen local ecosystems, enhance biodiversity and enable sustainable communities.

3. A strong economy

We will support a resilient local and self-sustaining regional economy that encourages economic growth and provides increased employment opportunities that attract ongoing investment.

4. A connected, inclusive place

We will provide high quality places that people value and want to live, work, play and learn in.

5. An effective Council

We will be recognised as a collaborative Council and a high-performing organisation that enables positive outcomes for Warrnambool's community, environment and economy and for Victoria's South West.

Performance

Council's performance for the 2022-2023 year has been reported against each strategic objective to demonstrate how council is performing in achieving the 2021-25 Council Plan.

Performance has been measured as follows:

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

The following colour code indicates the level of progress against each measure for the year ending June 30, 2022.

Completed

Progressing

On hold

Not progressing

Not completed

Withdrawn



Strategic objective 1: A healthy community

We will be a healthy, inclusive and thriving community with equitable access to services, cultural opportunities and recreational activities.

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Recreational facilities – Community Satisfaction Survey	67	Decline on previous year's result of 71.
Community and cultural services – community Satisfaction Survey	65	Down by one point on previous year's result.
Arts Centres and Libraries – Community Satisfaction Survey	76	Jump of six points on previous year, above the state and regional averages and this reflects the enormous popularity of the new Library and Learning Centre which opened in October 2022.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-2023 budget for the year.

Major Initiatives	Progress
Construction of new public library (Warrnambool Library and Learning Centre) at the Warrnambool campus of the South West Institute of TAFE.	Completed. The library was opened in October 2022.
Investigating site for new Warrnambool Art Gallery building.	Ongoing.
Hosting AFLW match at Reid Oval.	First AFLW match was hosted at Reid Oval.

Services

The following statement provides information in relation to the services funded in the 2022-2023 budget and the people or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$'000
Aged Services	This area provides a range of services including meals on wheels, personal care, respite, home maintenance, home care, adult day care and senior citizens programs.	-215 -361 146
Family Services	This service provides family oriented support services including pre-schools, maternal & child health, child care, counselling & support, youth services, immunisation, family day care.	-258 -1,047 789
Art and Culture	Provision of high-quality venues where people can see, present and explore the arts, ideas and events provided at the Art Gallery and Lighthouse Theatre.	-974 -1,086 112
Library Services	Provision of quality library and information services to the community.	-1,119 -997 -122

Service	Description	Net Cost Actual Budget Variance \$'000
Recreation	Provision of sport, recreation and cultural facilities, service and programs in response to identified community need and to provide information and advice to clubs and organisations involved in these areas.	-538 -530 -8
Leisure Centres	The Arc and AquaZone provide premier indoor community leisure facilities in South West Victoria, providing equitable and affordable access to a wide range of aquatic and fitness activities.	-836 -1,368 532
Health Services	Administrations of legislative requirements pertaining to public health, immunisation and food premises. Preparation of the Health & Wellbeing plan and the Reconciliation Action Plan.	-434 -731 297

Service performance indicators

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






	Results				
Service/ Indicator/ mea- sure	2020	2021	2022	2023	Comments
Aquatic Facilities					
Service standard					
Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	3.00	4.00	4.00	0.00	Health Department positions vacant for extended periods during 2022-2023. Now filled and testing regime reimplemented.
Utilisation					
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.37	3.65	3.96	5.63	Focus on moving back towards pre-COVID numbers has resulted in stronger attendance across all areas of operations.
Service cost					
Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	\$3.87	\$4.53	\$3.80	\$2.79	Focus on moving back towards pre-COVID numbers has resulted in stronger attendance across all areas of operations. Combined with an increase in user fees and cost reductions through energy savings initiatives.
Libraries					
Utilisation					
Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	3.44	3.07	3.48	3.21	
Resource standard					
Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	66.40%	77.01%	90.26%	67.53%	Prior year total purchases over five years. Reported at 43,141 items. It was discovered in the current year, the reported figure should have been 26,575. The figure for 2021/22 adjusted would be 55.6%. The increase in 2022/23 due to the new joint-use public library with TAFE resulting in a greater number of items available in the library collection.



Service/ Indicator/ measure	2020	2021	2022	2023	Comments
Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	13.87%	12.36%	11.22%	17.10%	The new joint-use public and TAFE Library opened on October 13, 2022, and offers vastly improved levels of service and functional spaces. It has been very well received by community and TAFE cohort.
Service cost <i>Cost of library service per population</i> [Direct cost of the library service / Population]	\$21.62	\$22.67	\$25.77	\$38.20	Previously Warrnambool City Council was paying a contribution to the Corangamite Regional Library Corporation to deliver a library service. Council now pays the full cost of running a library service in-house with the new, larger capacity library opening in October resulting in increased costs of operations.
Maternal and Child Health (MCH) <i>Service standard</i> <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	100.00%	103.10%	101.12%	
Service cost <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	\$78.44	\$81.30	\$87.24	\$83.13	
Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	77.68%	82.25%	82.97%	79.42%	
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	80.00%	86.81%	93.21%	80.75%	Aboriginal MCH program/ coordinator position vacant.
Satisfaction <i>Participation in 4-week Key Age and Stage visit</i> [Number of 4-week key age and stage visits / Number of birth notifications received] x100	98.62%	96.10%	101.97%	98.04%	

A Healthy Community – progress report against the Council Plan

Objective 1: WELCOMING & INCLUSIVE CITY:





Warrnambool will be a city that is more welcoming to all and fosters diversity.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.1.1	Review the Customer Service Charter to ensure it meets the needs and expectations of Council customers.	Manager Communications	100%		Council approved the release of the draft Customer Service Charter for community feedback. The Charter has now been adopted.
1.1.2	Develop and implement a range of Council activities and events to encourage participation from diverse groups within our community.	Service Manager Healthy Engaged Communities	100%		Council has been involved in the planning and delivery of the Pride in Your Health LGBTIQ+ diversity and inclusion conference in partnership with health services and regional stakeholders. The Archie Graham Community Centre and West Warrnambool Neighbourhood House have supported events and activities related to National Sorry Day and National Reconciliation Week. The intercultural kitchen and cooking program continue to support multicultural communities to break down barriers, build capacity and share their culture through cooking demonstrations and sharing of knowledge.
1.1.3	Increase access to participation for all abilities and raise awareness of the community regarding the needs of people with a disability.	Service Manager Healthy Engaged Communities	100%		Training was delivered to build the knowledge, skills and capacity of volunteers who assist with Council programs that support people with disabilities. Topics included access and inclusion; awareness and attitudes; communication and language; all-abilities etiquette and promoting supportive environments.
1.1.4	Engage with community to ensure that a diversity of voices are informing Council policies, strategies, programs, and services.	Manager Community Policy & Planning	100%		Using International Association for Public Participation (IAP2) principles, Council continues to engage with the community to inform Council policies, strategies, programs and services. Consultations during the quarter involved public feedback on the draft Budget for 2023-2024 and revisions to the Council Plan 2021-25, South Warrnambool Flood Investigation, and Unretiring the 'Bool - an initiative to assist local businesses impacted by labour shortages.
1.1.5	Develop and implement programs to improve community connections and reduce social isolation.	Manager Community Policy & Planning	100%		Council's community connections program is implemented through the West Warrnambool Neighbourhood House and Council's centre-based Social Support program. The Share the Load laundry program was launched in March 2023 and different health and human services link clients to the program. West Warrnambool Neighbourhood House continues to help community members access the Victorian Power Saving Bonus program and assists community members to join social, physical and recreation activities.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.1.6	Provide library programs and collections that facilitate inclusion, understanding and acceptance of diversity.	Manager Recreation & Culture	100%		<p>In the past quarter the library service has delivered the Sharing Stories: Strengthening Communities project. The project was delivered in partnership with WRAD Health and One Day Studios and funded by the State Library Victoria and Public Libraries Victoria.</p> <p>The Sharing Stories Project works with people who have experienced addiction and aims to help develop the writing and literacy skills of participants, particularly in telling own life stories through creative non-fiction storytelling. During Reconciliation Week the library delivered a children's program in partnership with Worn Gundidj attended by 49 children and 40 adults. Expand Your Mind program The First Astronomers: how Indigenous elders read the stars was presented by Associate Professor of Cultural Astronomy in the ASTRO-3D Centre of Excellence and the School of Physics at the University of Melbourne, Duane Hamacher, while Worn Gundidj Indigenous Nursery delivered a presentation on the six seasons of our region, traditional uses of plants and how they can fit into local gardens.</p>
1.1.7	Develop and implement programs and activities that improve community engagement and social connection through West Warrnambool Neighbourhood House.	West Warrnambool Neighbourhood House Coordinator	100%		<p>Term 1 and 2 playgroup (Toddle on Hoddle) was well attended by families who support the new location and format at the Warrnambool West Primary School. Weekly sessions are attracting up to 20 toddlers and their carers. In May, the Neighbourhood House Week celebration included the community launch of the Home is Where the Art is 3D snakes and ladders art work at Pecten Avenue Park. The event was supported by 120 students from Brauer College, St Pius X and Warrnambool West Primary. Over 70 community members attended the park to enjoy free music, food, outdoor games, face painting and kite flying. Thirty-three community members gathered at Lane Pavilion in mid-May to participate in a purple flower making workshop. The art works acknowledged the Stolen Generations and were displayed at the Library on May 26, National Sorry Day.</p> <p>West Warrnambool Neighbourhood House project crafters helped create props for the Warrnambool Primary Performers production of Charlie and the Chocolate Factory. Every Thursday for six weeks a group of 18 participants created items for the lolly shop as well as a gigantic knitted rug for the bed. Crafting volunteers were thanked with a free ticket to see the show.</p> <p>Safe Seats Safe Kids - a free child car restraint fitting service, supported by Neighbourhood House Victoria and KidSafe took place at Archie Graham in late May.</p> <p>The Winter School Holiday Program was held at Warrnambool West PS and other locations with participants enjoying activities such as Quirky Science Experiments, Resin Art, Boxing, Cooking and Magic.</p> <p>From 24 March until 30 June, 355 Warrnambool residents received their \$250 bonus through the West Warrnambool Neighbourhood House.</p> <p>Requests for food relief has increased in the last quarter with West Warrnambool Neighbourhood House delivering 975kg of hampers to vulnerable and food insecure residents of West Warrnambool April - June.</p>






Objective 2: ABORIGINAL COMMUNITIES:








Council will pursue improved partnerships and meaningful engagement with Aboriginal people to grow opportunities and better outcomes for Aboriginal people.





Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.2.1	Develop and deliver programs and services in collaboration with Aboriginal people that support inclusiveness, culture and reconciliation.	Manager Community Policy & Planning	100%		<p>Council has established the governance of relationships formally with the Eastern Maar Aboriginal Corporation (EMAC), the Traditional Owners of the lands covering the Warrnambool municipality and the Gunditjmara Aboriginal Cooperative. EMAC will provide Aboriginal names for the two committees, which have separate terms of reference for governance, clearly delineating the areas of focus for the two organisations. The committees meet quarterly and three meetings were organised with each organisation in 2022-2023.</p> <p>Council continues to participate in and support the Wata Waethanda community group in planning community events. As part of National Sorry Day on 26 May 2023 and National Reconciliation Week (27 May - 3 June), purple flowers were displayed at the Warrnambool Library. Council also supported some events and activities promoting local native plants and bush tours.</p>
1.2.2	Facilitate and encourage collaborative relationships with Aboriginal and Community Controlled Organisations (ACCOs) to address key barriers to access children's and family services and build a stronger cultural connection.	Manager Children & Family Services	100%		<p>The child and family alliance has representation from Gunditjmara, Windamara and more recently Dhauwurd-Wurrong. This provides strong representation of First Nations peoples and their communities across family and children's services.</p>
1.2.3	Increase participation of Aboriginal families in early years services, with a focus on maternal and child health and kindergarten services.	Manager Children & Family Services	100%		<p>The program provided opportunities for Aboriginal mothers to engage with Maternal Child Health key age stage visits with support from the Cultural Care Coordinator. The project includes a strong emphasis on Maternal Child Health nurses providing culturally safe services for Aboriginal families. This concept has been strengthened by the project model of outreach clinics that allow visits to occur at any location the family requests including: existing clinics, home visits or Aboriginal community-controlled health organisations.</p>
1.2.4	Increase community awareness of, and promote, Aboriginal heritage, culture and sites of significance.	Manager Community Policy & Planning	100%		<p>Council is engaging with First Nations peoples to receive advice on the best way to express Aboriginal culture, history and stories within the Warrnambool Library and Learning Centre. Council continues to engage with the local First Nations community through the Maar Nations Gallery hosted at the Warrnambool Art Gallery which promotes Aboriginal arts and culture. Flagstaff Hill has been consulting with the Eastern Maar Aboriginal Corporation around the promotion of Aboriginal heritage and culture and with Aboriginal businesses producing merchandise that promotes Aboriginal art, culture and heritage.</p>

Objective 3: HEALTH & WELLBEING:

Council will take action to improve health, wellbeing and safety outcomes for Warrnambool's community.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.3.1	Implement the Municipal Health and Wellbeing Plan 2021-25 and review as necessary.	Manager Community Policy & Planning	100%		Council secured a further \$30,000 funding from Vic Health to implement the Healthy Warrnambool Plan 2021-25. This funding complements Council's allocations to deliver prevention and health promotion activities across the five pillars of the Plan. These activities are implemented through five communities of practice. A highlight for the quarter was the organisation of a Health in a Changing Climate Forum at the Lighthouse Theatre. Over 90 participants attended the forum with representatives from seven Victorian local governments, Victorian Government stakeholders, local organisations and some interstate representatives. International, national, state level and local presenters showcased different research data and project ideas on climate change adaptation methodologies to protect human health. The community of practice on climate change will progress the actions and projects emerging from the Forum. The "Drink Responsibly?" campaign implementation ended on 12 June 2023. The campaign raised awareness on the safer levels of alcohol consumption based on the National Health and Medical Research Council recommendations. An end-line evaluation will be conducted in late 2023. Implemented for six months from December 2022-June 2023 across Facebook and Instagram, the four posters had a combined reach of 47,000 individuals aged 18+ across a 40 km radius of Warrnambool with a total of 145,050 impressions, meaning each person was exposed to the messages three times on average. The videos reached over 96,480 people with a total number of impressions of 226,167.
1.3.2	Achieve compliance with the Child Information Sharing and Family Violence Information Sharing reforms as directed by peak bodies.	Service Manager Early Years Learning & Development	100%		Implementation of Child Information Sharing (CISS) and Family Violence Information sharing (FVIS) continuing to be implemented across early years services with resources and training.
1.3.3	Improve children and families' health and wellbeing through attainment of targets set by the Healthy Achievement Program.	Service Manager Early Years Learning & Development	100%		Matron Swinton Early Learning Centre, Sherwood Park Early Learning Centre, Florence Collins Children's Services Complex and Warrnambool Family Day Care have successfully achieved the Safe Environments benchmark under the Victorian Achievement Program.
1.3.4	Develop and implement an Aquatic Strategy, including a new business model for AquaZone, to guide the improvement and strategic use of facilities to increase community participation in physical activity.	AquaZone Service Manager	25%		Action not completed in financial year but will be carried over for completion in 2023-2024. Contractor has been appointed and initial stages of industry research, data gathering and project scoping and site analysis have commenced.
1.3.5	Develop an AquaZone fitness and program that supports and encourages wellbeing and water safety.	AquaZone Service Manager	100%		AquaZone has achieved a 42% increase in attendance this financial year. Growth in visits was experienced across: recreation swim, up 35,716; group fitness, up 10,503; gym, up 12,719, for an overall increase of 59,120. Learn to swim participation recorded an additional 9,003 visits and an increase in school swim visits of 6,078.



Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.3.6	Establish a plan to assist gymnastics to move to a sustainable business model.	Manager Recreation & Culture	100%		After consultation with the Warrnambool Springers Gymnastic Club and at the club's request, Council endorsed the transition of the operations of the gymnastics program to the club from January 2024.
1.3.7	Increase community participation in active recreation.	Manager Recreation & Culture	100%		AquaZone's aquatic, group fitness and gym-based programs have experienced a growth in community and member participation over the past 12 months with an average participation increase of 42% on last year. Local sportsgrounds seasonal tenant player participation data increased by 15% this year, with junior participation up by 13% overall. The data also showed 20% more females participated overall. Activity levels at the Warrnambool Stadium are measured by court usage hours, this figure had a 48% increase in the past 12 months and is up 41% on the last full year of operation prior to the pandemic.
1.3.8	Develop systems and policies that maximise the use of the Warrnambool Stadium.	Service Manager Warrnambool Stadium	100%		Court usage at Stadium over the past 12 months was the highest since Warrnambool's major indoor sports facility opened in 2001. Usage was up 41% on the last full year of operation prior to the pandemic and it is estimated that the Stadium attracted over 145,000 visitors in the past 12 months. To facilitate this increase in activity the model of court hire and access for the six resident indoor sports associations at the Stadium was simplified with reduced rates introduced to support the sustainability of the local sports that call Warrnambool Stadium home. An improved account management and facility booking system is scheduled to be introduced in early 2023/24, this is aimed at improving access to the facilities for resident sports, local schools and other casual hirers.
1.3.9	Increase connection with children up to aged 4 through outreach Maternal and Child Health Key Age Stage visits to early years services.	Service Manager Early Years Intervention & Support	100%		A total of 212 children accessed their 3½-year key age Stage Assessments prior to kinder enrolment. A new policy and procedure was developed to support Maternal Child Health staff undertake target outreach key age assessments in Council's early learning centres and kindergartens. Maternal Child Health program continues to target families who have returned to work and offer the outreach service model to ensure all children receive assessments before kindergarten enrolment.
1.3.10	Support vulnerable families with young children through the enhanced Maternal and Child Health service.	Service Manager Early Years Intervention & Support	100%		Over 1,098 hours of support has been delivered to over 100 families referred to the Enhanced Maternal and Child Health Program. Fifty families remain in the service requiring further support to build parenting capacity.
1.3.11	Provide a broad range of programs for older members of our community.	Service Manager Healthy Engaged Communities	100%		During the quarter there were 6,418 attendances at different programs and activities through the Archie Graham Community Centre. Archie Graham Reception recorded 2,743 customer interactions comprising 1,787 in person, 799 over the phone and 157 emails.
1.3.12	Maximise use of sportsgrounds and associated recreational facilities through ensuring shared use, where appropriate.	Service Manager Recreation & Culture	100%		The Recreation team continues to work with sports ground user groups to maximise access and use of facilities. Twenty-eight sports ground clubs have provided participation opportunities to 1,667 junior men, 747 junior girls, 989 senior men, 467 senior women, 141 male masters and 62 female masters members across 234 teams (senior and junior), 26 sport development programs and an all-abilities team.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.3.13	Deliver Maternal Child Health Key Ages and Stages framework via outreach model within universal services including early learning and kindergarten services to ensure all eligible children have attended all 10 key age stages.	Service Manager Early Years Intervention & Support	100%		Assessments continue in Council's early learning centres and kindergartens. Maternal Child Health program targets families who have returned to work and offers an outreach service model to ensure all children receive assessments prior to kindergarten enrolment, this provides developmental assessments for kindergarten teachers to help identify early intervention that maybe required in the kindergarten year for families.
1.3.14	Deliver sleep and settling program to eligible families with babies and toddlers through group education and in-home consults with parents and guardians.	Service Manager Early Years Intervention & Support	100%		Council has delivered weekly in-home sleep and settling consults to 222 families. The program is delivered by a Maternal Child Health nurse to support babies and toddlers with sleeping concerns. A total of 166 families attended the group sleep and settling education sessions.
1.3.15	Advocate for early years workforce initiatives that support recruitment and retention of high-quality early years staff and service.	Manager Children & Family Services	100%		Active engagement with all levels of government is occurring, supported by industry stakeholder forums (local government, education and training bodies) and workshops focusing on workforce challenges and solutions.
1.3.16	Develop culturally safe early years services.	Service Manager Early Years Learning & Development	100%		Early Years Services have continued to embed culturally safe practices and environments. Celebrating Reconciliation week through participation in the display of purple hibiscus flowers at the library.

Objective 4: ACCESSIBLE CITY:




Council will improve the physical and social accessibility to community services, facilities, places and precincts.






Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.4.1	Review the requirements needed to become a Child Friendly City.	Manager Children & Family Services	40%		This project is on hold due to the Commonwealth Government-led Early Years Reform project which has been activated.
1.4.2	Meet the current and future needs of our growing population, programs and services through updated Community Services Infrastructure Plan.	Manager Community Policy & Planning	100%		Council continues to review its facilities and service levels in line with programming and the emerging needs of the community.
1.4.3	Continue to implement the objectives set out in the Early Years Compact Agreement.	Service Manager Early Years Intervention & Support	100%		<p>Council has delivered on the compact's agreed priorities which have been focused on supporting vulnerable children and families.</p> <p>These are:</p> <ul style="list-style-type: none"> - increase the participation of children in out of home care and children known to child protection in early years services - improve sharing of data and information about children; - increase participation of Aboriginal families in early years services, with a focus on maternal and child health and kindergarten services; and, - improve the identification and referral of children and families at risk of family violence, including implementing the maternal and child health family violence consultation visit.
1.4.4	Implement the Multiple Agency Risk Assessment and Management (MARAM) framework within all Early Years programs.	Service Manager Early Years Intervention & Support	100%		Delegations and approval to support the implementation of the Multiple Agency Risk Assessment and Management (MARAM) framework has occurred. Staff are participating in the Municipal Association of Victoria's Community Practice Model for the MARAM supporting staff through the role out establishment.
1.4.5	Implement plans to improve the accessibility and user-friendliness for aged and those with a disability to Council owned community facilities.	Service Manager Healthy Engaged Communities	100%		Council continues to organise programs for people with a disability at the Archie Graham Community Centre, Warrnambool Stadium and Aquazone. Most of the equipment offered at AquaZone has been upgraded to facilitate the needs of people with disabilities.
1.4.6	Increased access for people with disabilities by upgrading Council infrastructure through recurrent capital funding.	Manager Strategic Assets, Property & Projects	100%		The all-abilities kayak launch, disabled carpark and accessible footpath have been finished at Woodend Rd. A Disability Discrimination Act-compliant footpath has been designed and will be delivered to connect the new McGennan amenities block to McGennan Car Park which will allow for all-abilities access from the Changing Places facilities and Lake Pertobe Playspace all the way to the McGennan Car Park, beach, and beyond.
1.4.7	Maintain the delivery of high-quality services to enable people to remain as independent as possible in their own homes.	Service Manager Community Support	100%		Council delivered 22,891 home care services to 1,327 clients in 2022-2023. This included 12,000 home care services, 6,600 personal care service, 2,300 episodes of property maintenance and 2,200 respite services. Additionally, approximately 21,000 meals were delivered to 285 clients.


Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.4.8	Increased engagement of young people aged 12-25 years in youth development programs and activities.	Service Manager Healthy Engaged Communities	100%		<p>The Green Futures Now! leadership program for 12-25-year-olds, allows young people to build knowledge and explore solutions to address environmental issues. This year, the Green team decided to address the issue of textile waste and fast fashion by organising a winter clothing donation drive, collecting warm clothes and blankets to help the less fortunate while keeping textiles out of landfill.</p> <p>FReeZA is a Council-led Victorian Government initiative that supports young Victorians to get involved in their community by planning and running drug, smoke and alcohol-free music, creative and cultural events for other young people. The FReeZA crew organised a highly successful open mic night event for their peers including an array of performing artists enabling them to showcase their talents in a safe and encouraging environment</p>
1.4.9	Implement an accessibility audit of Council playgrounds.		100%		Item has been implemented as part of the playground renewal designs and incorporated into programmed works for upgrades.

Objective 5: RECREATION, ARTS, CULTURE & HERITAGE:

Council will support opportunities to participate in a wide range of recreational, arts and cultural activities that promote activity, wellbeing, diversity and heritage, and grow connectedness across the community.






Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.5.1	Deliver the Lake Pertobe Building Better Regions program of projects along with the carpark renewal and upgrade funded through Local Roads and Community Infrastructure Program.	Projects Engineer	100%		The construction of new McGennan Amenity Block continues and is progressing well. The Indigenous meeting place project has started and is progressing well. These two items are the last of a suite of projects that formed the Lake Pertobe Building Better Regions program, which will be completed before the busy summer period.
1.5.2	Complete the Playspace Strategy for community playgrounds and spaces.	Manager Strategic Assets, Property & Projects	15%		Due to competing priorities in the lead-up to the end of the financial year, this is currently on hold. Officers will look to continue work on development of a Playspace Strategy in 2023-2024.
1.5.3	Deliver a Lighthouse Theatre program including the annual Primary Performers program, and implement strategies that encourages our community to experience, create, celebrate and participate in the performing arts with a focus on youth (13-25) and the disadvantaged community.	Service Manager Lighthouse Theatre	100%		<p>Lighthouse Theatre hosted successful workshops across the period including engagement with the First Nations community. A series of low-cost, interactive performances for two and three-year-olds and their parents attracted over 170 attendances over four performances. Sydney Dance Company visited and provided workshops with local dancers during their three-day visit. The performance relating to climate change action was well received by younger adolescent and young adult audiences.</p> <p>The Primary Performers production of Charlie and the Chocolate Factory performed in June to a record sellout crowd of over 2000 patrons over four performances, with 65 primary school children performing. The performances received rave reviews and saw the best engagement by parents and community members supporting the production in costumes, sets, props and music.</p>




Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.5.4	Develop and implement audience engagement and marketing strategies, including a membership program, to increase participation in performing arts presentations and seasons at the Lighthouse Theatre.	Service Manager Lighthouse Theatre	100%		<p>Total ticketed attendance for 2022-2023 was 41,867, an excellent result for the venue equating to a box office taking of \$1.8 million. This was one of the highest ticket sales numbers, and the highest annual box office result in the venue's history.</p> <p>Marketing continues to achieve strong results, reflected in the numbers above, with strong engagement on our social media as well as an 8% increase in email list sign-ups during the quarter and the distribution for our quarterly coming events brochure via Australia Post reaching over 24,000 homes.</p> <p>Two performances during this period were supported with a live Auslan interpreter (The Sunshine Club and Comedy Festival Roadshow), and the new hearing augmentation system (hearing loop) was launched and is now successfully in use across our venues.</p>
1.5.5	Deliver Warrnambool Art Gallery exhibitions and experiences that engage community, attract and increase visitors, support artists and build new audience.	Director Art Gallery	100%		<p>From April to June 2023, the Gallery was visited by 6,682 patrons. The program delivered five diverse exhibitions including Kirrae Whurrung artist Brett Clarke, a dedicated children's exhibition developed by Warrnambool artist Sinead Murphy, a touring exhibition from the Australian Centre for the Moving Image, and two exhibitions featuring work exclusively from the gallery's collection. The gallery initiated a unique exhibition partnership with the Heide Museum of Modern Art to present Paul Yore + Albert Tucker: Structures of Feeling, which garnered attention from ABC TV, and has been viewed by approximately 15,000 people. The exhibition will tour to Warrnambool Art Gallery in September. The gallery made steps towards increasing public engagement with its collection via a range of in-person and online curator talks. The Gallery's education program delivered 15+ free tailored workshops and tours to over 400 students. Alongside five ticketed workshops during for primary-age, and teens throughout the school holiday period.</p>
1.5.6	Deliver a library program of events and activities that supports lifelong learning and social inclusion.	Manager Recreation & Culture	100%		<p>In the past quarter the library has run 150 community programs with 5,549 participants. This is a 249% increase in participation over the same period last year.</p>
1.5.7	Develop a Cultural Strategy for Warrnambool.	Manager Recreation & Culture	65%		<p>Delay in being able to appoint a staffing resource has led to this project being carried over to 2023-2024. Council has recently appointed its first Cultural Development Coordinator who will support progressing the next steps of this important work, and support the delivery of the strategy once completed.</p>
1.5.8	Development and implement policies and strategies to maximize use of community assets in areas of art and culture.	Manager Recreation & Culture	15%		<p>In the absence of a Cultural Development Coordinator resources were not in place to progress this piece of work. With the position in place, work has begun.</p> <p>A Public Art Policy is currently being prepared.</p>

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.5.9	Support community organisations to improve participation opportunities that support health and wellbeing, social, cultural and recreational outcomes through Council's community funding programs.	Manager Recreation & Culture	100%		Council received 50 grant applications for the Community Development Fund 2022/23 program (total program funds of \$140,000). Of these, 26 submissions were fully funded and three partially funded. A total of \$110,036 was allocated to eligible projects under three categories. Sport and Recreation, Culture and Arts and Environment & Sustainability.

Objective 6: COMMUNITY LEARNING PATHWAYS:

Council will support and encourage lifelong learning that helps build community resilience and preparedness for change.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.6.1	Relaunch the Warrnambool City Library under Council Management through a reinvigorated range of activities and programs.	Manager Recreation & Culture	100%		The transition from the Regional Library Corporation to Council management was completed in June 2021. An extensive and diverse range of programs are now delivered from the Library.
1.6.2	Deliver the new Warrnambool Library.	Manager Recreation & Culture	100%		The new library, opened in October 2022, delivers for the City a state-of-the-art, functional and aesthetically beautiful community hub that creates enormous opportunities for learning, education, social inclusion, well-being and recreation. Features include a Tech Zone, Sound Lab, dedicated children and youth areas, cafe and meeting rooms.
1.6.3	Deliver library early years programs that support language and literacy development and parental efficacy.	Manager Recreation & Culture	100%		The library now runs four early literacy sessions a week for children 0 - 6 years old designed to encourage a life-long love of books and reading. The sessions have been enjoyed by over 5,000 children and their parents/carers during this period. The library is also host to Council's First Parents groups facilitating valuable connections between new parents, their local library, books and support for early language development.
1.6.4	Deliver library programs that develop literacy in all its forms and encourage a love of reading and life-long learning.	Manager Recreation & Culture	100%		In addition to well-patronised early years literacy programs, the library delivers a broad range of introductory digital literacy training and English conversation sessions. In partnership with Jobs Victoria, the library is able to support employment readiness programs. Book Club's 'Learn something new' and 'Expand your mind' programs delivered in partnership with external providers support life-long learning. The partnership with U3A has been very successful in value-adding to the library program and providing a broad range of learning activities in the library for older adults.
1.6.5	Advocate to peak bodies to ensure staff have access to high quality professional development opportunities that support the community's needs.	Manager Children & Family Services	100%		The School Readiness program funding through state government has provided access for staff to high quality learning programs throughout the year.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.6.6	Maintain and further develop Council's partnership with Deakin University to enable research and development opportunities for community and industry.	Manager Infrastructure Services	100%		Council continues to work closely with Deakin around the establishment of the Hycel Technology Hub and other Deakin and TAFE initiatives.
1.6.7	Continue the roll out of the State Government's 3-year-old kindergarten reform - deliver Stage 2 of the kindergarten provision project.	Service Manager Early Years Learning & Development	100%		2024 kindergarten registration process has started for Council's 12 kindergarten sites. Victorian School Building Authority grant finalised for planning and design work at Matron Swinton Early Learning Centre and Warrnambool East Kindergarten.
1.6.8	Provide sufficient infrastructure (including indoor and outdoor structures) to meet current and future models of kindergarten provision and early years integrated models within the municipality.	Manager Children & Family Services	100%		Designs are completed for the Matron Swinton Early Learning Centre and East Warrnambool Kindergarten. Funding has been approved to progress with an Early Years Strategy which will provide Council with an Early Years Infrastructure Plan for the next 10 years. Plan to be developed next financial year.

Strategic objective 2: A sustainable environment

We will protect and strengthen local ecosystems, enhance biodiversity and enable sustainable communities.

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Environmental sustainability – Community Satisfaction Survey	61	On par with regional average although down on the previous year's result.
Waste Management – Community Satisfaction Survey	70	Above the state and regional averages, slightly lower than the previous's year's result.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-2023 budget for the year.

Major Initiatives	Progress
Develop Pest Plant and Animal Management Framework.	Draft developed and released for comment in the first quarter of 2023-2024.
Develop and implement floodplain management strategies for South Warrnambool and Russells Creek.	Russells Creek flood modelling completed with Planning Scheme amendment approved and gazetted by Minister for Planning in November 2022. South Warrnambool Flood Investigation is under way.

Services

The following statement provides information in relation to the services funded in the 2022-2023 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$'000
Environment	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	-634 -701 67
Waste Management	This service provides kerbside rubbish collections of garbage, recycling and Food Organics Green Organics (FOGO) from all households and some commercial properties in Council. It also provides street cleaning, leaf collection and street litter bins throughout Council.	-4,924 -5,002 78
Parks and Gardens	This service covers a range of areas such as tree pruning, planting, removal, planning and street tree strategies, management of conservation and parkland areas, creeks and other areas of environmental significance. Parks Management provides management and implementation of open space strategies and maintenance programs.	-4,389 -4,776 387

Service performance indicators


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

	Results				
Service/ Indicator/ measure	2020	2021	2022	2023	Comments
Animal Management					
Timeliness					
<i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	1.00	Increase in surrendered animals. A result of unwanted pets purchased during COVID and rise in cost of living.
Service standard					
<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	19.16%	20.92%	17.25%	19.18%	The number of animals collected increased this past year from 655 to 730.
<i>Animals rehomed</i> [Number of animals rehomed / Number of animals collected] x100	64.57%	71.73%	66.72%	67.53%	
Service cost					
<i>Cost of animal management service per population</i> [Direct cost of the animal management service / Population]	\$16.12	\$17.32	\$19.34	\$17.59	
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0.00%	0.00%	0.00%	0.00%	During the 2022-23 financial year, Council did not initiate any animal management prosecutions as there was no incidents that warranted a prosecution.
Food Safety					
Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.00	1.00	1.00	3.82	Over 50% of food complaints received within 2022 were actioned within 24 hours, although staff shortages resulted in some complaints with extended response times.
Service standard					
<i>Food safety assessments</i> [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	94.26%	53.27%	20.32%	28.23%	A slight increase in food safety assessments was achieved for 2022. Warrnambool City Council operated with only one authorised Environmental Health Officer for the majority of the year, with a priority of processing new business applications.

Service/ Indicator/ measure	2020	2021	2022	2023	Comments
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$281.93	\$289.76	\$353.27	\$391.81	Consulting labour has had to be used to fill gaps in staff shortages causing an increase in costs.
Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	47.22%	100.00%	50.00%	Council was unable to address all major & critical outcome notifications due to staffing constraints. These notifications have been rolled over to 2023/24 & made a priority.
Waste Collection Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	215.87	207.27	46.52	38.43	There has been a noticeable decrease in the number of bin collection requests. A lot of requests in the prior year were as a result of the glass bin rollout.
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	7.03	10.43	2.19	0.67	There has been a noticeable decrease in the number of bin collections missed. The prior years were high due to the 4 bin system being implemented.
Service cost <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$86.17	\$87.43	\$75.67	\$82.28	
Service cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$61.03	\$52.49	\$45.49	\$46.48	
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	64.30%	64.44%	66.24%	67.24%	





Objective 1: NATURAL ENVIRONMENT:

Council will enhance open spaces and infrastructure that support a healthy community, wildlife, flora, fauna and biodiversity.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.1.1	Develop and implement Pest Plant and Animal Management Framework for the control of environmental weeds and pests.	Coordinator Natural Environment	100%		Strategy document developed and due to be advertised in the first quarter of 2023-2024.
2.1.2	Develop and implement strategy and programs that improve biodiversity and protect and enhance flora and fauna.	Coordinator Natural Environment	100%		The Natural Environment team continue to work with local community groups and other stakeholders such as the Glenelg-Hopkins Catchment Management Authority to implement projects and programs to improve and protect biodiversity, flora and fauna. This includes tree planting in public reserves and open space, development of resources for education and information.




Objective 2: WATER & COASTAL MANAGEMENT:

Council will protect and enhance the health of Warrnambool's coastline and inland waterways to protect and improve biodiversity.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.2.1	Implement the Domestic Waste Water Management Plan to improve health and environmental outcomes for our community.	Coordinator Environmental Health	100%		Plan has been completed and is available to the public on the Council page.
2.2.2	Investigate water use opportunities to improve water resource management.	Coordinator Natural Environment	100%		Integrated Water Management project will commence implementation in Q2 of 2023-2024
2.2.3	Implement the Warrnambool Coastal Management Plan to guide the future use, development and management of Warrnambool's coastline.	Coordinator Natural Environment	100%		Implementation of the Warrnambool Coastal Management Plan is ongoing and includes implementation of the Wild Coast Landscape Master Plan. This encompasses a Cultural Heritage Management Plan, wayfinding and information signs and fencing to protect the culturally sensitive landscape. The project is being implemented in partnership with DECCA and Eastern Maar.
2.2.4	Develop and implement floodplain management strategies in the South Warrnambool and Russells Creek catchments to minimise environmental impacts and risks associated with flooding impacts.	Coordinator City Strategy	100%		Russells Creek flood modelling completed and implemented, via the approval and gazettal of Planning Scheme Amendment C205warr in November 2022 by the Minister for Planning. South Warrnambool flood investigation is under way. Two phases of community consultation have been undertaken, with draft mapping released for public feedback. Feedback is currently being collated and will feed into refinement of the mapping. Next round of community engagement will include mitigation options. Project is on track to be completed in December 2023. Allansford flood study has commenced with the procurement process completed and a consultant appointed in July 2023.


Objective 3: MINIMISE ENVIRONMENTAL IMPACT & THE IMPACT OF A CHANGING CLIMATE:

Council will encourage innovation and initiatives that minimise Warrnambool's environmental impact.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.3.1	Investigate new technologies to reduce waste from landfill towards zero waste to landfill.	Strategic Waste Management Officer	100%		In discussions with contractor on how to manage contaminant in kerbside collected glass to avoid it being sent to landfill.
2.3.2	Deliver the Smart Buildings energy efficiency program to reduce greenhouse gas emissions and utilise renewable energy.	Coordinator Natural Environment	100%		The delivery of the Smart Building Program is continuing with implementation of the EV charging stations, lighting upgrades at the Warrnambool Art Gallery and Flagstaff Hill in progress.
2.3.3	Facilitate and support the delivery of climate change mitigation, adaptation and resilience actions to raise awareness and prepare for a changing climate.	Coordinator Natural Environment	100%		The Health in a Changing Climate Forum has been delivered in partnership with the Barwon South West Climate Alliance and provided a key opportunity to raise awareness and prepare for a changing climate with a focus on the health sector. The Extreme Heat Vulnerability Mapping project is nearing completion and will be progressed in 2023-2024.


Objective 4: WATER RESOURCE MANAGEMENT:

Council will promote and encourage awareness of sustainable practices in our work, and the community including water resource management.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.4.1	Develop a drainage system litter and contaminants improvement/management plan to reduce gross pollutants into the waterways.	Manager Strategic Assets, Property & Projects	75%		Works in developing a drainage contaminants management plan have not proceeded due to resource shortages. As part of Council design practices, improvements in drainage contaminants are incorporated as part of each design to minimise gross pollutants entering the waterways.


Objective 5: WASTE MINIMISATION:

Council will pursue programs to minimise waste throughout the community, industry and promote the benefits of reduction, reuse and recycling of materials.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.5.1	Reduce contamination of recyclable materials.	Strategic Waste Management Officer	100%		Funding received to undertake an education program to improve the cleanliness of the various recycling streams. Program will be rolled out in the second half of 2023.

Objective 6: AWARENESS & CELEBRATION:

Council will foster community awareness and recognition of the benefits of positive outcomes for Warrnambool's environment.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.6.1	Promote awareness and celebrate the outcomes of environmental work including actions that align with the Green Warrnambool plan.	Coordinator Natural Environment	100%		The Community Development Fund provides funding to community groups and organisations to implement projects and initiatives that have an environmental or sustainability focus that aligns with Green Warrnambool. The Green Futures Now program has again been delivered in partnership with Council's Youth Services and has provided an opportunity for young people to connect with and promote awareness of environmental work within Warrnambool.
2.6.2	Monitor and manage organisational greenhouse gas emissions and energy usage.	Coordinator Natural Environment	100%		Council emissions and energy use continue to be monitored and managed in partnership with key stakeholders.

Strategic objective 3: A strong economy

We will support a resilient local and self-sustaining regional economy that encourages economic growth and provides increased employment opportunities that attract ongoing investment.

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Business/community development/tourism – Community Satisfaction Survey	63	Above the state and regional averages.
Business and community development – Community Satisfaction Survey	58	Above the regional average and on par with the state average.
Town Planning Policy – Community Satisfaction Survey	50	Declined from previous year's result but on par with state and regional averages.
Planning and building permits – Community Satisfaction Survey	51	Above the state average although a decline on the previous year's result.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-2023 budget for the year.

Major Initiatives	Progress
Warrnambool City (lead agent), Moyne Shire, Corangamite Shire and South West TAFE are collectively supporting the Ideas Place program funded by LaunchVic and commenced with its first group in March. The 10-week program is supporting start-up entrepreneurs who have an idea and want to establish their own business.	First group of participants under prepared for a "pitch night" that was held in July (2023-2024 financial year).
Unretiring the 'Bool launched in March.	Program to encourage recently retired people to re-enter the workforce as a way to tackle labour shortages. More than 80 retirees and nearly 50 business registered their interest.
Solstice Search Party – winter event to boost Warrnambool's profile as a year-round visitor destination.	The event was delivered for the second time on Saturday 24 June 2023 in the Warrnambool Botanic Gardens. Over 6,000 attendees turned out with postcode data indicating that 20% were from outside the 3280 postcode.
Festivals and Events Fund 2023 launched in May for events in the 2023 / 2024 financial year.	The total funding amount of \$130,000 included four categories, 1. Community Events 2. Business Events and Conferences 3. Activate Warrnambool and 4. Tourism Events.

Services

The following statements provide information in relation to the services funded in the 2022-2023 budget and the persons or sections of the community who are provided the service.

Activity	Description	Net Cost Actual Budget Variance \$'000
Statutory Building Services	This service provides statutory building services to the Council community including processing of building permits.	-88 -187 99
City Strategy & Development	This service prepares and processes amendments to the Council Planning Scheme. This service processes statutory planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors the Council's Planning Scheme, prepares major policy documents and processes amendments to the Council Planning Scheme.	-1,057 -1,293 236
Warrnambool Live-stock Exchange	Provides a regional livestock marketing centre that meets the needs of the stock agents, buyers and producers. (Ceased operations 13 December 2022.)	-498 366 -864
Holiday Parks	Provides affordable holiday accommodation that is modern, clean and well maintained in a family orientation atmosphere.	1,371 1,035 336
Flagstaff Hill Maritime Village	A City and Regional tourism hub open 364 days of the year that includes a Visitor Information Centre and Flagstaff Hill Maritime Village, which tells the maritime history of the region during the day and a "Shipwrecked" Sound & Light laser show in the evening.	-672 -969 297
Economic Development	Includes the industry and business support, research and statistical analysis and project development which underpin economic development.	-736 -818 82
Warrnambool Airport	This service provides a regional Airport that meets the needs of users and operates as a viable commercial enterprise to the benefit of the region.	-80 -173 93
Port of Warrnambool	Council manages the City's port facility on behalf of the State Government. The figure contained includes expenditure on port rehabilitation that is reimbursed by the State Government through grant funding in previous Financial Years.	-3,130 5 -3,135
Festivals and Events Group	Delivers a range of promotions, festivals and events along with attracting events to the city to deliver economic benefits.	-934 -1,088 154




Service performance indicators

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

	Results				
Service/ Indicator/ mea- sure	2020	2021	2022	2023	Comments
Statutory Planning					
Timeliness					
Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	35.00	28.00	53.00	83.00	Council had significant staff vacancies within the statutory planning department, and incurred significant delays in recruiting suitably qualified planners during this time.
Service standard Planning applications decided within required timeframes [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning applica- tion decisions made] x100	91.97%	100.00%	71.79%	66.97%	
Service cost					
Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]	\$1,806.07	\$1,399.64	\$1,691.67	\$3,130.56	Council had significant staff vacancies within the statutory planning department, and incurred significant delays in recruiting suitably qualified planners during this time. Multiple complex VCAT cases requiring representation.
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	50.00%	0.00%	80.00%	During 2022-2023, five planning applications were referred to VCAT.


Objective 1: BUILD ON COMPETITIVE STRENGTHS:




Council will support initiatives that foster ongoing development and investment in the industries which underpin Warrnambool's economic strengths and comparative advantages.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.1.1	Implement Development Plans and Developer Contributions Plans to provide future resources for improved infrastructure across the municipality.	Coordinator City Strategy	100%		Developer Contribution Plans continue to be implemented in growth areas: North of the Merri and North Dennington, as development progresses. Other shared infrastructure plans within the North East and Hopkins Coastal growth areas also continue to be implemented as development progresses. Development plans continue to be assessed in Wollaston Road (Yallambee Estate), 191-201 Morriss Road, and East Warrnambool (1C Verdon Street). Development plans have been recently approved for Emanuel College, South Dennington (The Heights), and an amended development plan approved for 119 Bridge Road, Bushfield.
3.1.2	Develop programs and collateral to promote Warrnambool as an appealing investment destination.	Manager Economic Development	100%		Warrnambool City (lead agent), Moyne Shire, Corangamite Shire and South West TAFE are collectively supporting the Ideas Place program funded by LaunchVic and commenced with its first group in March. The 10-week program is supporting start-up entrepreneurs who have an idea and want to establish their own business. Intensive workshops, designed to focus specifically on start-up methodology, mentoring and partner programs are components of the program. The first group completes their 'Pitch Night' on July 20th at the Lighthouse Theatre. This is the first of three programs to be run over the next 12 months and commenced with 17 participants.
3.1.3	Grow engagement with local businesses across the municipality.	Manager Economic Development	100%		A business breakfast involving a wide cross section of industry was held in June to gauge interest and initial thoughts on forming a business representative group. Input from the event will lead to a business survey for all stakeholders provide ideas on the group's structure and objectives. Any group would be business-led, driven and focusing on business needs. Un-Retiring the Bool was launched in March with over 80 retirees and nearly 50 business registered. The program will open to businesses to register at any time and the next intake of retirees seeking any amount of work will commence in September to allow businesses to source staff as we head in the busy Christmas and New Year period.

Objective 2: EMERGING INDUSTRIES:

Council will encourage emerging industry sectors that contribute to Warrnambool's economic growth and diversity.



Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.2.1	Facilitate and partner in initiatives to progress the implementation of the Great South Coast Economic Futures Plan, including the development of renewables in Warrnambool and the Great South Coast region.	Manager Infrastructure Services	100%		Warrnambool Economic Development Strategy draft to be assessed by Council and released for public comment after August meeting. Officers are continuing to liaise with emerging businesses including potential for powered lift aviation activities to and based in Warrnambool. Council has been briefed on offshore wind projects in the pipeline by Southern Winds Offshore Wind Project https://southernwind-sowp.com/

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.2.2	Review and implement the Warrnambool Economic Development and Investment Strategy to facilitate investment and employment growth across the Warrnambool municipality.	Manager Economic Development	100%		The Economic Development and Investment Strategy for 2023-2027 has completed the key stakeholder engagement and public comment stages. The final draft is being prepared and should be available for tabling at Council in July.
3.2.3	Facilitate and promote business support initiatives to grow the local economy.	Manager Economic Development	100%		Business networking events continue with 'Club Connect' and will continue on a monthly basis. Various guest speakers and rotating venues 70-plus people attend representing various businesses and key groups. Strengthening a 'One Stop Shop' service to businesses through completing the Council's economic development web pages.
3.2.4	Plan for the development and implementation of precinct structure plans to facilitate investment in appropriate development across the municipality.	Coordinator City Strategy	100%		<p>The East of Aberline Precinct Structure Plan is progressing under the lead of the Victorian Planning Authority. Technical reports and studies are currently underway for flooding and drainage, with detailed traffic modelling to commence later this year. Landowner and agency workshops were held in March 2023 to update landowners on the work to date and next steps.</p> <p>Implementation of the Hopkins/Coastal, North Dennington and North of the Merri structure plans continue with subdivision and development occurring at a growing rate.</p> <p>The Allansford Strategic Framework Plan has been adopted with an implementation plan currently being developed. External funding has been received to implement the Allansford Strategic Framework Plan, including developing technical studies for traffic, drainage and flooding and land contamination. Procurement for a consultant to undertake this work has been completed, with landowner engagement held in December 2022. Technical work for traffic and land contamination has been completed. Procurement of a consultant to undertake the drainage and flooding strategy has been completed, with a consultant appointed in July 2023.</p> <p>External funding has also been successful to develop a strategic framework plan for Bushfield/Woodford. A successful consultant has been appointed to undertake this work, and the second round of community engagement has been undertaken, with a community drop in session held in March 2023. A draft framework plan, wastewater management strategy and implementation strategy are underway.</p> <p>The Foreshore Precinct Plan is underway, with request-for-quote submissions from consultants being assessed and evaluated. Appointment of the successful consultant is expected to occur in August 2023.</p>

Objective 3: VISITOR GROWTH:




Council will facilitate Warrnambool's visitor growth and year-round visitation through industry development, effective destination management and promotion of attractions and experiences leveraging key events.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.3.1	Review and implement the Warrnambool Destination Action Plan in partnership with Great Ocean Road Regional Tourism and industry.	Service Manager Flagstaff Hill	75%		Gap between service manager appointments led to a delay. Warrnambool plans and strategies shared with Great Ocean Road Regional Tourism (GORRT). Draft document progressing. Project rolled over for completion in 2023-2024.
3.3.2	Increase visitation with events across the year and enhance the profile of Warrnambool as a destination.	Service Manager, Events & Promotion	100%		<p>Following the success of the inaugural Solstice Search Party event in 2022, the event was delivered for the second time on Saturday 24 June 2023 in the Warrnambool Botanic Gardens. The event was held on the first weekend of the Winter School Holidays, to coincide with Solstice Searching and the winter solstice. Traditionally this is an off-peak time of year in Warrnambool.</p> <p>Both events were created as a COVID-19 response for the community, businesses and creatives of Warrnambool. The events were not intended to become annual events, however based on an overwhelming positive response it was decided to run the events again in 2023.</p> <p>The event delivery involved 23 local businesses, including but not limited to food vans, security, sound and audio, production, traffic management, waste management, furniture hire, flooring, lighting, generators and light towers. This resulted in a \$40,000 injection into the local economy for contractor businesses, excluding revenue made by food vans on the night.</p> <p>The event took 3 days to bump-in and 2 days to bump-out.</p> <p>Over 6,000 attendees turned out with postcode data indicating that 20% were from outside the 3280 postcode.</p> <p>The event is very technical and extremely weather-dependent. Considerations will need to be made regarding the future plans and sustainability for Solstice Searching and Solstice Search Party.</p> <p>The "What's On Warrnambool" winter campaign encouraged local businesses and events to register their winter events in the whatson.warrnambool.vic.gov.au to form part of the promotion.</p> <p>Events registered in the calendar are shared weekly on the lamwarrnambool Instagram and Facebook accounts, fortnightly newsletter and advertised via posters and printed collateral with QR codes.</p> <p>From 1 June to 14 July, there have been 127 events registered into the Winter Calendar indicating what was once a quiet time of year is now increasing with volume and variety of events.</p>
3.3.3	Develop and share economic data and analysis to business and industry to inform the performance of the Warrnambool economy.	Manager Economic Development	100%		Council continues to use Spendmapp, Remplan, ABS data, Localis (Tourism & Accommodation Data), AU Government's Labour Market Information Portal etc. to monitor economic performance. Economic Development provides user-friendly local economic data on a quarterly basis on the council website for residents and businesses in and outside the LGA. It also supports key events i.e. May Racing Carnival, Premier Speedway with post event data to help measure the economic impact and assist with future planning, funding and sponsorship proposals.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.3.4	Increase community participation in the delivery of a diverse range of events through a grants program.	Service Manager, Events & Promotion	100%		<p>The newly created Festivals and Events Fund 2023 launched in May for events in the 2023 / 2024 financial year.</p> <p>The total funding amount of \$130,000 included four categories, 1. Community Events 2. Business Events and Conferences 3. Activate Warrnambool and 4. Tourism Events.</p> <p>Established reoccurring events were encouraged to apply for the Event Sponsorship category. Since 2019, events funding formed part of the annual Community Development Fund, but was limited to community events only.</p> <p>Creating a standalone Festival and Events Fund with new categories is designed to drive off peak visitation, new events and mid-week economic impact for Warrnambool.</p> <p>Applications are under review and will be announced in August 2023. There were 35 applications lodged via the Smartygrants application form. Major events assisted included ANZAC Day Dawn Service, which saw the return of over 3,000 attendees at the Dawn Service in Warrnambool, along with the May Racing Carnival.</p> <p>The latest Spendmapp data indicated that overall spending during the week of the carnival was \$15.4m compared with \$14.7m in 2022.</p> <p>In 2019 it was \$10.9m. Spending on dining and entertainment was higher before and during the carnival as was supermarket and grocery spending. Spending in this category during this year's carnival was \$4.21m compared with \$3.68m in 2022.</p>
3.3.5	Participate in the establishment of the Great Ocean Road Coast and Parks Authority to protect and manage visitation of the Great Ocean Road Coast and Parks.	Manager Infrastructure Services	100%		<p>Flagstaff Hill master planning process nearing completion of a draft document for Council's consideration.</p> <p>Great Ocean Road Coast and Parks Authority (GORCAPA) CEO presented to Council informal meeting around GORCAPA progress in transfer of crown land management along the Great Ocean Road. Great Ocean Road Regional Tourism (GORRT) working on the Great Ocean Road Strategic Masterplan with input from Council</p>



Objective 4: WORKFORCE CAPABILITY:

Council will foster the development of a workforce capable of supporting the needs of the local and regional economy.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.4.1	Deliver the Designated Area Migration Agreement (DAMA) representative role for the Great South Coast region and the Regional Certifying Body function on behalf of the Great South Coast.	Designated Area Migration Agreement Coordinator	100%		Three months into the final year of the five-year agreement and Council has already endorsed 27 positions for 16 businesses. Another 14 positions are currently under review. After consultation with the regional CEOs, Warrnambool is in the process of preparing a business case to renew the DAMA for another five years.
3.4.2	Partner on projects and initiatives with Deakin University Warrnambool and South West TAFE that help provide a skilled workforce that meets local industry needs.	Manager Economic Development	100%		<p>The Economic Development Unit reviewed the Great South Coast (GSC) Designated Area Migration Agreement (DAMA) Occupation List with a view to expanding the number of areas for skills shortages. A request to the Department of Home Affairs for a further 77 occupations to be added to the existing list of 38 was submitted in September 2022 and we are now waiting for this to be approved. An increase from 100 workers to 300 for endorsement each year has also been requested. We reached our annual cap for 2022-2023 of 100 endorsed workers in the current agreement which is an encouraging outcome for the program. We have been informed by the Department of Home Affairs our variation requests are currently being assessed.</p> <p>As the Great South Coast DAMA programs five-year agreement expires in March 2024 an application for a new one will be submitted in September 2023 and this is currently being prepared.</p> <p>Council hosted three State Government representatives from Global Victoria in June including the Deputy Commissioner for Trade to China. A key visit was to Deakin Universities Hycel Centre which is currently under construction. Other Warrnambool businesses were included in the visits.</p>
3.4.3	Deliver education and advisory services to business and industry to raise awareness of building, planning and heritage requirements.	Coordinator City Strategy	100%		Information continues to be conveyed and shared through Council's networks with industry. Enquiries and pre-application meetings continue to occur on a case by case basis, with applicants encouraged to take advantage of pre-application meetings. There has been a noticeable increase in the uptake of pre-application meetings, particularly for larger developments. Regular applicants continue to submit plans for advice pre-lodgement, which assists in identifying any issues early in the process. Heritage advisory service continues to be provided on a regular basis with an increase in uptake by landowners and developers.

Objective 5: DIGITAL CAPABILITY:

Council will facilitate greater digital capability.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.5.1	Participate in the implementation of the Great South Coast Digital Plan to address connectivity issues for industry and households.	Manager Economic Development	100%		The Warrnambool City, Moyne and Corangamite councils collaborated on the development of a Regional Digital Strategy to enhance livability, productivity and promote sustainability in the across the region. The strategy aims to provide the councils, communities, partners and investors with a clear direction for digital activity and initiatives that enrich community outcomes. The strategy implementation including dates and priorities is being finalised among the three local government areas.
3.5.2	Identify and promote investment in digital projects across the Warrnambool municipality to address priority digital infrastructure supply shortfalls, including mobile coverage, and access to business-grade broadband.	Manager Economic Development	100%		The Economic Development Unit represented Council on the Great South Coast Regional Digital Plan. The project will see a digital strategy and action plan for the local government areas of Warrnambool, Corangamite and Moyne. The project is now at the stage where other Councils are finalising their adoption of the plan. Several workshops on how businesses can benefit from using social media were held and with strong attendance by local businesses.

Strategic objective 4: A connected, inclusive place

We will provide high quality places that people value and want to live, work, play and learn in.

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Parking facilities – Community Satisfaction Survey	51	Decline on previous year but close to the regional average.
Traffic management - Community Satisfaction Survey	57	Improved result on previous year and above the state and regional averages.
Appearance of public areas - Community Satisfaction Survey	73	Above the state and regional averages although down on previous year's result.
Sealed local roads - Community Satisfaction Survey	50	Above the state and regional averages although down on the previous year's result.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-2023 budget for the year.

Major Initiatives	Progress
Opening of the new Edwards Bridge	Completed and opened in December 2022.
New adventure playspace at Lake Pertobe	Completed and opened in December 2022.
Jetty Flat Pavilion upgrade	Completed and opened in March 2023.
McGennan amenities block	On-ground work started in January 2023.
Accessible kayak launch Merri River – partner in a project with Glenelg-Hopkins Catchment Management Authority	Project officially opened in June 2023.
Port of Warrnambool boat ramp upgrade	Ramp entry made longer and safer, parking and turning space increased and jetties to the north and south of the ramp were rebuilt and improved. Opened December 2022.

Services

The following statement provides information in relation to the services funded in the 2022-2023 budget and the persons or sections of the community who are provided the service.

Activity	Description	Net Cost Actual Budget Variance \$'000
Asset Management	This service prepares long term maintenance management programs for Council's property assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include buildings, pavilions, roads, footpaths and tracks and drainage.	-1,914 -1,887 -27
Infrastructure Services	This service prepares and conducts capital works and maintenance planning for Council's main civil infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include roads, laneways, car parks, foot/bike paths, drains and bridges.	-3,803 -3,534 -269
Regulatory Services	Local laws enforcement including parking fees and fines, public safety, animal management and traffic control.	1,080 793 287

Service performance indicators





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

Service/ Indicator/ measure	Results				Comments
	2020	2021	2022	2023	
Roads					
<i>Satisfaction of use</i>					
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	58.50	60.19	54.98	60.00	
Condition					
<i>Sealed local roads maintained to condition standard</i> [Number of kilometres of sealed local roads below the renewal intervention level set by council / Kilometres of sealed local roads] x100	96.80%	96.05%	95.43%	93.56%	
Service cost					
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$97.30	\$98.78	\$112.65	\$142.71	The significant increase between 2021-2022 and 2022-2023 is due to increase in the material and construction costs driven by supply and demand, and inflation.
Service Cost					
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$6.65	\$6.85	\$5.87	\$6.52	The reason for the variance between financial years 2021-2022 and 2022-2023 can be accounted for by the upward trend in the cost of bitumen and labour associated with spray seal activities.

Service/ Indicator/ measure	2021	2022	2023	2024	Comments
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	48.00	59.00	60.00	50.00	The public perceptions in relation to this category relate predominately to the State road network. The assessment of Council's performance regarding the condition of sealed local roads has experienced a decline over the past year, although it still performs higher than the State-wide and Regional Centres group. Efforts are being made to enhance community understanding in this specific area.

Objective 1: EFFECTIVE PLANNING:

Council will ensure its planning acknowledges the unique character and attributes of local places, and that it supports social connection, equitable access, appropriate housing and sustainable population growth.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.1.1	Deliver the building renewal program.	Coordinator Building Strategy & Services	90%		Projects completed include; repainting of the Warrnambool Art Gallery, stage one roof replacement at Lighthouse Theatre, Gem Club interior repainting, Central Kinder interior fit-out, East Kinder interior fit-out, Merrivale Recreation Reserve roof modification and replacement, Allansford Hall minor refurbishment, Bushfield Hall minor refurbishment, South preschool shade sail and window replacements and Dennington preschool window replacement. Projects under way include the Lighthouse Theatre staged roof replacement and Civic Centre switch-board replacement which have been rolled over due to contractor availability and scheduling.
4.1.2	Develop and adopt a Tree Asset Management Plan including significant and heritage trees.	Assets Planning Officer	100%		Tree Asset Management Plan developed and adopted in 2021-2022.
4.1.3	Complete service level reviews for parks, gardens, roads and drainage services.	Coordinator Municipal Depot Operations	100%		Continual review of services and work practices have brought about changes that have benefited the various teams. Actions such as the use of foamed bitumen and a pavement material and the propose purchase of a robotic mower are a direct result of reviewing current practices.
4.1.4	Review CBD Parking Strategy including accessible parking and expansion of off-street parking areas.	Coordinator Natural Environment	50%		The review of the strategy will recommence in 2023-2024 and include a city-wide approach to car parking. This will factor in the impact of the Warrnambool Base Hospital redevelopment.


Objective 2: CONNECTED COMMUNITY:

Council will enhance Warrnambool's connectivity through the delivery of, or advocacy for, improvement to roads, public transport, footpaths, trails and digital infrastructure.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.2.1	Advocate for essential safety and road improvements on the Princes Highway West.	Director City Infrastructure	100%		Continue to advocate for highway upgrades and renewal with regional Councils and have advocated for improvements to the Princes Highway in the City. New school crossing and 40kmh zone has been funded and will be constructed in September 2023. Also, significant renewal works were completed on Princes Highway from Gateway Road east bound to the Fletcher Jones site.
4.2.2	Advocate for improved passenger and freight rail services between the South West region and Melbourne.	Manager Infrastructure Services	100%		Warrnambool train line upgrade targeted for completion by end of this calendar year. New cheaper fares implemented. Council continues to engage with Department of Transport around repairs and upgrades to main roads within the municipality and Princess Highway.
4.2.3	Plan for growth and changes in traffic movements by identifying current and future traffic volumes and use this to review the Municipal Road Management Plan and Road Hierarchy.	Manager Infrastructure Services	100%		Plans for pedestrian safety treatment for Raglan Parade at Hider and Ardlie streets and Lava and Kepler streets are ongoing via blackspot funding. There have been upgrades in multiple school crossings and highly pedestrian-trafficked areas including Jamieson Street, Pecten Avenue and Landman Street. Future road safety projects for the next two years include Mortlake Road at Breton Street and Roslyn Close and Queens Road at AquaZone. The Municipal Road Management Plan and Road Hierarchy does not require a formal review until 2025.
4.2.4	Facilitate the implementation of Cycling Reference Group actions adopted by Council.	Projects Engineer	100%		Recent Cycling Reference Group actions include: <ul style="list-style-type: none"> Obtained funding for and delivered two behaviour change projects, "people who ride bikes" and "bike week". Reviewed the externally funded infrastructure projects: Breton Street wombat crossing, Lava-Kepler streets roundabout upgrade. Pecten Avenue wombat crossing, Jamieson Street platform school crossing. Developed Mortlake Road shared link from Whites Road to Russells Creek. Assisted with the development of the "Active Transport" information on Council's website.
4.2.5	Review City Centre traffic flows with implementation of new pedestrian crossings.	Coordinator Infrastructure Management	100%		Design complete for Kepler and Lava streets roundabout. Construction planned to start in August-September 2023.
4.2.6	Seek funding for and deliver road safety projects.	Coordinator Infrastructure Management	100%		Funding was received for several road safety projects including: wombat crossings at Gateway Road, crossings near Warrnambool Primary School and several projects within the Botanic Local Area Traffic Management zone, a "blackspot" funding application was made for the intersection of Botanic and Queens roads.


Objective 3: STRONGER NEIGHBOURHOODS:

Council will foster neighbourhood connection and capacity building including the development of inclusive recreational and cultural opportunities.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.3.1	Implement the key initiatives of the Open Space Strategy, including our review of the strategy.	Coordinator City Strategy	100%		<p>The Warrnambool Open Space Strategy is nine years into its implementation and is progressing on schedule. Some of the recommendations completed include:</p> <ul style="list-style-type: none">• A Wayfinding Sign Design Package for the Foreshore, City Centre, and Russells Creek (with several signs now installed),• Investigation of open space opportunities through the Allansford Strategic Framework Plan,• Acquisition of new open space adjoining the Merri and Hopkins Rivers,• Completion of all recommendations from the Jubilee Park Master Plan at Woodford,• Completion of the South of Merri Open Space Precinct Plan. An implementation plan has been prepared for the South of Merri Precinct, with successful external funding received to implement works within the Woodend Road reserve and Platypus Park precincts, including an all-abilities kayak launch at Woodend Road. These works have recently been completed.• 100% of City-wide recommendations have commenced or are complete, and 78% of precinct-based recommendations are complete or underway. <p>A comprehensive review of the Open Space Strategy is scheduled to begin in late 2023.</p>

Objective 4: SUSTAINABLE PRACTICES:

Council will promote and encourage the implementation of sustainable design across the municipality including the attractiveness, safety, accessibility and functionality of our built environment.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.4.1	Identify and regularly monitor condition of Council's built assets to ensure effective management.	Manager Strategic Assets, Property & Projects	100%		<p>Condition audits of buildings, roads, pathways, drainage and open space were undertaken over the past year as per Asset Management Plans. The data provided in condition audits facilitates the renewal programs for the next five years.</p>

Strategic objective 5: An effective Council

We will be recognised as a collaborative Council and a high-performing organisation that enables positive outcomes for Warrnambool's community, environment and economy and for Victoria's South West.

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Overall performance	52	Score declined from previous year.
Value for money	48	Score declined from previous year.
Community consultation	46	Score declined from previous year.
Making community decisions	44	Score declined from previous year.
Customer service	66	Score declined from previous year.
Overall Council direction	46	On par with statewide average but a decline on previous year.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-2023 budget for the year.

Major Initiatives	Progress
Coastal Connect is the shared enterprise system that is a partnership with Moyne and Corangamite shire councils.	A successful tenderer, TechOne, was appointed in the first half of 2023.

Services

The following statement provides information in relation to the services funded in the 2022-2023 budget and the persons or sections of the community who are provided the service.

Activity	Description	Net Cost Actual Budget Variance \$'000
Governance & Elected Council	<ul style="list-style-type: none"> Elected Council governs our City in partnership with and on behalf of our community, and encourages and facilitates participation of all people in civic life. Also includes contributions made to community groups and organisations. 	-583 -695 112
Executive Services	<ul style="list-style-type: none"> Manages and facilitates the Council governance service, implementation of Council decisions and policies and compliance with the legislative requirements. 	-572 -521 -51
Communications & Customer Service	<ul style="list-style-type: none"> Provides a customer interface for various service units and a wide range of transactions. Includes media and marketing. 	-1,149 -1,172 23
Volunteer Services	Volunteer Connect provides support and guidance to organisations and community groups that involve volunteers in their work, and provides a volunteer matching service to bring together volunteer roles, and volunteers to fill them.	-131 -128 -3

Activity	Description	Net Cost Actual Budget Variance \$'000
Information Services	Enables Council staff to have access to the information they require to efficiently perform their functions. Includes software support, licensing and lease commitments.	-2,615 -2,481 -134
Organisation Development & Risk Management	This service promotes and implements positive HR strategies to assist staff reach their full potential and, at the same time are highly productive in delivering Council's services to the community. Includes recruitment, staff inductions, training, implementation of the Corporate Risk Management Framework and managing Council's insurance portfolio.	-1,789 -1,865 76
Corporate & Financial Services	Provides corporate support to Council and all divisions/branches in meeting organisational goals and objectives and includes banking and treasury functions, loan interest, audit, grants commission, legal, procurement, overhead costs including utilities and unallocated grants commission funding.	6,189 1,149 5,040
Depreciation	Depreciation is the allocation of expenditure write down on all of Council's assets over their useful lives.	-13,237 -13,050 -187

Service performance indicators

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




Service/ Indicator/ measure	Results				Comments
	2020	2021	2022	2023	
Governance Transparency Council decisions made at meetings closed to the public [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100	12.68%	5.77%	1.88%	4.03%	Total number of decisions made at meetings closed to the public is still very low both in the context of previous years and in the context of the sector as a whole. Large percentage increase is due to the unusually low base of 21/22.
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	42.00	50.00	56.00	46.00	A high base in 21/22 and a number of controversial items that were being considered by Council at the time of the survey has contributed to the decline in performance.




Service/ Indicator/ measure	2020	2021	2022	2023	Comments
Attendance					
Councillor attendance at council meetings [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100	90.48%	100.00%	100.00%	95.92%	
Service cost					
Cost of elected representation [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$42,908.86	\$47,574.14	\$45,870.43	\$57,041.14	Councillor allowances increased in line with direction from State Government.
Satisfaction					
Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	38.00	49.00	58.00	44.00	A high base in 21/22 and a number of controversial items that were being considered by Council at the time of the survey has contributed to the decline in community satisfaction.

Objective 1: LEADERSHIP & GOVERNANCE:

Council will be a high-functioning team committed to respectful relationships, collaboration, and ongoing engagement. It will provide strong, effective leadership, sound governance and informed decision-making.





Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.1.1	Ensure key priorities of the community are appropriately reflected in the development and review of the Council Plan with the appropriate prioritisation of resources to key strategic themes.	Director Corporate Strategies	100%		A refreshed executive is continuing to work closely with the elected Council to enshrine respectful relationships, collaboration, and ongoing engagement. It will provide strong, effective leadership, sound governance and informed decision-making. Key advocacy objectives have been refreshed a renewed focus on good governance training has been held. Council's leadership has come together to work on the key objectives for next year's Council plan.
5.1.2	Identify and report on changes to Council operations, policies and procedures in line with the Local Government Act.	Manager Governance	100%		Council remains compliant in its governance policies in relation to the Local government Act. Council reviews and enhances processes as the Governance and transparency of the organisation matures and responds to community norms.
5.1.3	Improve Council's systems and policies through review of Governance Framework.	Manager Governance	100%		Council governance policies have been reviewed with the finalisation of Councils Privacy Policy in final draft for adoption at the August meeting of Council.


Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.1.4	Improve asset management practices.	Manager Strategic Assets, Property & Projects	100%		<p>Short-term contracted resources in coming months will assist with improvements and resourcing shortfalls. To ensure improvement in asset management practices, an upgrade of the Road Management Plan asset management platform (called Conquest) has been completed. This aims to improve the level of service to the community and reduce Council liability.</p> <p>The Warrnambool Planning Scheme is continuously monitored to ensure officers are kept abreast of Victorian Government planning reforms and trends and so that relevant reforms are reported to Council. Recent planning reforms include new reforms and streamlined provisions for:</p> <ul style="list-style-type: none"> • container deposit scheme infrastructure; • coastal hazard planning and implementation of the Marine and Coastal Policy 2020 and the Victorian Coastal Strategy 2021; • policy changes on housing growth and built form; • introducing "sustainable neighbourhoods" provisions for residential subdivisions; • Streamlined provisions for telecommunication facilities; and, • and other updates to align the scheme with current policy direction of the State Government.
5.1.5	Improve the Warrnambool Planning Scheme which controls land use and development within the municipality.	Coordinator City Strategy	100%		<p>Other recent improvements to the Warrnambool Planning Scheme include:</p> <ul style="list-style-type: none"> • A review of the Warrnambool Planning Scheme has been finalised. The Planning Scheme must be reviewed every 4 years to ensure it remains effective and efficient in implementing State, regional and local policy objectives. The final report has been prepared and is currently being reviewed. • Elevating ESD Targets into the Planning Scheme - a request for authorisation to the Minister for Planning has been made by a collective of 24 Councils including Warrnambool, to include elevated ESD outcomes into the planning scheme. This work will support a response to the impacts of climate change, as well as the goals and objectives of Green Warrnambool. • Rezoning of land within an urban area that is erroneously zoned (Riverview Terrace). A request for authorisation to the Minister for Planning has been submitted.
5.1.6	Work with neighbouring Councils to develop sub-regional and regional plans and advocacy strategies to benefit the region and deliver on the community's aspirations.	Director City Infrastructure	100%		<p>Council continues to work on a state-wide advocacy campaign for an improved funding position on school crossing supervisors and investment in the arterial road network.</p>

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.1.7	Align the implementation of the Warrnambool 2040 Plan with the Financial Sustainability Plan.	Director Corporate Strategies	100%		Council successfully delivered on its 2022-2023 Budget and has adopted its 2023-2024 budget to resource programs services and projects for the fulfilment of both the Council plan and help achieve the objectives of Warrnambool 2040. Highlights will be reported through Council's annual report
5.1.8	Continue to enhance organisational awareness of Victoria's Child Safe Standards via customised training programs and maintaining compliance with the Standards.	Manager Organisation Development	100%		Rollout of the updated mandatory Child Safety Training Module began in September 2022, inclusive of the requirement to review Council's updated Child Safety Policy. So far 376 employees have completed this training.
5.1.9	Develop and rollout the Regional and Rural Liveability Strategy in partnership with the Victorian Government and South West Primary Care Partnership.	Director Community Development	100%		This project is now decommissioned with improved liveability initiatives reported through other actions and initiatives. The South West Primary Care Partnership has been disbanded.

Objective 2: ENGAGED & INFORMED COMMUNITY:





Council will ensure ongoing community engagement to identify changing needs and priorities when developing and delivering services and programs.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.2.1	Improve accessibility, transparency and accountability of Council decision-making.	Manager Governance	100%		Council offers multiple ways for the community to access Council decisions, including via video, audio and through the Agenda and Minutes being available on the Council website. People can also contact Council or attend Council's office and request a copy of a Council decision. Council undertakes various and often multiple forms of consultation with stakeholders on all key strategic plans.
5.2.2	Monitor and report on the reach and effectiveness of Council's communications measures including engagement through the Your Say website.	Manager Communications	100%		Recent consultations include surveys for the South Warrnambool Flood Investigation, the Visitor Economy Industry Survey and a Footpath Plan for Merrivale and South Warrnambool. Council also received a larger than average number of responses to its Draft Budget and six members of the community also spoke in support of their submissions at the June 5 Council meeting.
5.2.3	Produce the annual State of the Assets Report that identifies the asset renewal funding performance to inform renewal expenditure.	Manager Strategic Assets, Property & Projects	100%		The State of Assets report has been completed by CT Management.
5.2.4	Review adopted Asset Management Plans for major asset classes to inform operational activities.	Manager Strategic Assets, Property & Projects	100%		The Asset Management Plan for each asset class outlines the frequency of condition audits which determines the Capital and Operational Works. The review of Asset Management Plans is ongoing internally and the Building Asset Management Plan is under review.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.2.5	Review strategies and plans to comply with Council's Asset Management Policy.	Manager Strategic Assets, Property & Projects	100%		In accordance with Asset Management Plans and condition audits, 2023-2024 Capital Works have been determined to facilitate the delivery of works. The Building Asset Management Plan is under review by external consultants to improve how Council undertakes renewal works in relation to buildings.
5.2.6	Provide communications support to promote Council services, facilities, programs and events.	Manager Communications	100%		The Communications Unit has been involved in helping to support and promote initiatives including the Win in Winter competition, the Solstice Search Party and the diverse range of learning experiences offered through Council's kindergartens.

Objective 3: CUSTOMER-FOCUSED SERVICES:

Council will continue and develop a program of Council services that are delivered to the community's satisfaction.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.3.1	Review and update Council's complaint handling policy and processes in line the Local Government Act changes and Ombudsman's guidelines.	Manager Governance	100%		Policy and process complete.
5.3.2	Improve outcomes in the delivery of Council's customer services.	Customer Service Team Leader	100%		Processes relating to notification to Council when a pet animal dies have been simplified. Council is reviewing and simplifying forms used by eligible property owners who are applying for financial assistance.
5.3.3	Deliver library customer programs in partnership with community organisations, non-government organisations and business.	Manager Recreation & Culture	100%		The library continues to partner with local businesses, community groups and organisations to support library programs. Key partners include U3A; Standing Tall; One Day Studio; Collins Bookshop; Jobs Victoria, and the Family History and Historical Societies.
5.3.4	Develop and influence strategic integrated planning process and decisions to ensure Council strategy is appropriately prioritised and executed.	Director Corporate Strategies	100%		Council services continue to be customer-focused and individual service areas are highly valued. Council has received feedback via some highly topical public issues that a greater degree of consultation at the early stages of projects would be welcomed. Council's overall satisfaction ratings from the community satisfaction survey this year declined, offering insights for opportunities to improve over the next year. Key strategies for the development, improvement and sustainability of services to the community include the completion of the Aquatic Strategy, Flagstaff Hill Master Plan and strategic planning for future use of the former saleyards site.

Objective 4: HIGH-PERFORMANCE CULTURE:

Council will foster an organisational culture to support engaged, committed and high-performing staff for the effective delivery of Council's services and programs.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.4.1	Prepare and develop appropriate service and organisational review processes to maximise operational efficiency.	Director Corporate Strategies	100%		Concentration on shared services as major change agenda. Exit of the saleyards business; the decommissioning of the site and the future use planning of the precinct. Prioritisation of alternate areas of review to be explored through the Council Plan and Budget process. An efficiency dividend has been built into the 2023-2024 budget as a result of the reduced rate applied through the budget. Ongoing savings to be developed to fund this initiative.
5.4.2	Support an organisational approach to strategic procurement to ensure effective operational decision making that improves organisational performance.	Director Corporate Strategies	100%		New policy and procedures in place and current recruitment for coordinator role to lead centralised procurement for the organisation. Further opportunities exist for improved strategic procurement training and data analytics to optimise procurement outcomes for the organisation.
5.4.3	Review and improve human resource operational processes to ensure best practice.	Manager Organisation Development	100%		Current best practice principles of human resource management have been implemented. Ongoing reviews in place to ensure best practice is maintained
5.4.4	Continue to evolve the staff training and development programs in order to drive enhanced employee engagement and culture.	Manager Organisation Development	100%		The centralised training model has been adopted and embedded.
5.4.5	Implement workplace actions identified within Council's Gender equity Action Plan, (GEAP), resulting in improved gender equity outcomes.	Manager Organisation Development	100%		First year actions complete.
5.4.6	Support the resourcing of Development Engineering assessments and approvals.	Coordinator Infrastructure Management	60%		Development engineer position still vacant and being re-advertised. New Design Coordinator has been employed to reduce workload of the Coordinator of Infrastructure Management.
5.4.7	Ensure the actions identified within Council's Workforce Management Plan are allocated implemented and measured.	Manager Organisation Development	100%		Resourcing associated with the workforce plan is under review to align with a revised strategic intent.
5.4.8	Improve systems and structures that facilitate the recruitment and retention of volunteers.	Service Manager Healthy Engaged Communities	100%		In celebration of National Volunteer Week (May 15 – 21) Council acknowledged the contributions of Council's 350 volunteers to programs and events, by hosting a celebratory evening at the Lighthouse Theatre. Significant work was undertaken to develop a Volunteer Reference Group which aims to provide a direct channel of communication between Council and the volunteer workforce, enabling an exchange of information, advice, ideas and an avenue for volunteers to provide input towards quality improvement processes that impact volunteer engagement.







Objective 5: ORGANISATIONAL & FINANCIAL SUSTAINABILITY:

Council will ensure organisational and financial sustainability through the effective and efficient use of Council's resources and assets.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.5.1	Review and embed the legal and procurement processes to ensure compliance and risk mitigation and that Council is operationally effective.	General Counsel, Strategy & Procurement	100%		Induction training updated and new basic broad training captured in online learning platform, Litmos.
5.5.2	Review Council's property management processes, including for Crown land that Council is the Committee of Management for, with consideration of rental agreements, property and current market valuations and disposal of surplus land.	Manager Strategic Assets, Property & Projects	100%		Improvements to property management practices including leasing of Crown land that Council is committee of management for continue to occur including direct negotiation practices, working with DEECA in relation to acting in accordance with their specific valuation requirements, and in principle approvals for new agreements, as well as improvements to approvals for land owner consent on Committee of Management Crown land in working with DEECA to improve timeframes and communication.
5.5.3	Allocate financial resources in accordance with strategic plans.	Manager Financial Services	100%		Budget 2023-2024 adopted 26 June 2023.
5.5.4	Review and update the Long-Term Financial Plan to ensure Council remains financially sustainable into the future.	Manager Financial Services	100%		The four-year budget was completed and adopted in June 2023. A 10-year capital works plan database has also been created. The Long-Term Financial Plan software has now been updated, new staff have been trained on the software and work will now commence to update the plan.
5.5.5	Enhance business processes including IT systems integration.	Manager Financial Services	100%		Rostering software (Tanda) project recommissioned. Software "proof-of-concept" being developed for integration solution that should address identified problems between the Tanda system and Council's Enterprise Resource Planning. Council's major system project, "Coastal Connect" kicking off with a number of configuration workshops in July and August 2023, reviewing major financial modules and planning for implementation of shared system framework.
5.5.6	Improve digital capacity for Council staff.	Executive Manager IT Strategy & Transformation Shared Services	100%		Coastal Connect Enterprise Resource Planning Project successfully launched.
5.5.7	Monitor asset condition to ensure they meet users' needs and remain fit for purpose.	Manager Strategic Assets, Property & Projects	100%		All required condition audits for 2022-2023 have been completed and will determine the future programming of works. Road Management Plan inspections are ongoing as per the plan.
5.5.8	Implement COVID-19 recovery plans for Council business units.	Manager Recreation & Culture	100%		COVID-19 plans were completed enterprise-wide.
5.5.9	Recommence rollout of Shared Services Project.	Director Corporate Strategies	100%		Joint venture between three Councils has been signed and Warrnambool nominated as the lead during the implementation phase


Objective 6: RISK MITIGATION:


Council will mitigate and manage organisational risks through sound management systems and processes.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.6.1	Review the IT Strategy and system resilience in relation to data security, confidentiality and critical incidents.	Executive Manager IT Strategy & Transformation Shared Services	100%		Council's ICT team continues to work through the recommendations and requirements of the Victorian Protective Data Security Framework.
5.6.2	Lodge Council's Victorian Protective Data Security Plan with the Office of the Victorian Information Commissioner by 31st August 2022	Manager Information Services	100%		Council's Victorian Protective Data Security Plan was lodged with the Office of the Victorian Information Commissioner by 31 August 2022.
5.6.3	Ensure effective Business Continuity Planning is in place.	Manager Organisation Development	100%		All Business Continuity Plans and sub-plans are complete and up to date. Regular testing of BCP plans implemented.
5.6.4	Enhance Councils risk management processes to ensure key strategic and operational decision making considers risk factors.	Manager Organisation Development	100%		The transition of risks into the Elumina software database is complete. All Business Unit plans now include consideration and treatment of applicable risks. Appropriate risk treatments are captured and allocated.
5.6.5	Continue the development and implementation of Councils Health and Safety Management System with a focus on injury prevention, improved return-to-work processes, OHS training calendar implementation and increased organisation engagement.	Safety & Risk Coordinator	100%		Councils OH&S Management System continues to be reviewed, refined and implemented. All Health and Safety Management System documents are now in controlled documents and available to all staff via the intranet. OHS training calendar is now operational
5.6.6	Partner with State Government to activate and maintain Public Health Pandemic and Emergency Management Operations for staff and community wellbeing.	Director City Infrastructure	100%		Council has continued with the free Rapid Antigen Test program.

Objective 7: EFFECTIVE ADVOCACY:




Council will pursue effective advocacy by providing compelling materials for desired support and funding for community priorities through establishing strong relationships with other levels of government, strategic partners and key stakeholders.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.7.1	Provide materials to support advocacy efforts and report on advocacy outcomes.	Manager Communications	100%		Council is re-setting advocacy priorities. Of the issues identified in the 2021-2025 Advocacy Plan, Council has commenced investigations into the future of AquaZone, a new Warrnambool Art Gallery building and the future use of Flagstaff Hill. Successful funding bids were made for upgrades at Brierly Reserve and a structure plan for Bushfield-Woodford. Improvements to pedestrian safety will be introduced at the intersection of Raglan Parade and Hider Street and Warrnambool is now serviced by five return rail services.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.7.2	Advocate for access to safe and secure housing that is appropriate and affordable for a diversity of needs.	Manager Infrastructure Services	100%		Planning permit applications progressing for eight Salvation Army housing developments, two permits issued to date, two more to be decided at a future open Council meeting.

Objective 8: REGIONAL ROLE & RELATIONSHIPS:

Council will acknowledge Warrnambool's capability as the regional centre of south-west Victoria through appropriate leadership, advocacy and partnerships that enable greater opportunity for the region.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.8.1	Participate in shared services project - for a shared Information technology enterprise system and associated processes - with Moyne and Corangamite shires.	Director Corporate Strategies	100%		The delivery phase of the shared services project has begun with initial project plans launched and the design workshops started across the three Councils. All governance structures and project control groups are in place and operating. Recruitment for final project delivery roles is under way.
5.8.2	Pursue funding for animal shelter redevelopment in collaboration with surrounding municipalities to facilitate a regional facility if appropriate.	Coordinator Natural Environment	100%		Discussions with surrounding municipalities in regards to a regional facility is ongoing. The Warrnambool Animal Shelter is currently facilitated in an arrangement with Glenelg Shire Council.
5.8.3	Participate in advocacy efforts as part of Regional Cities Victoria, Regional Capitals Australia and Southwest Victoria Alliance.	Director City Infrastructure	100%		Continuing to advocate for protection of airspace in approach areas for the Warrnambool Airport. Submissions provided to planning panels in conjunction with Moyne Shire Council and Airport Reference Group.

Governance

Warrnambool City Council is constituted under the Act to provide leadership for the good governance of the municipal district and the local community.

Council has a number of roles including:

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

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

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

Meetings of Council

Council conducts open public meetings on the third Monday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the council or make a submission.

The following table provides a summary of Councillor attendance at council meetings in 2022-2023.

COUNCILLOR	Scheduled Council Meetings Attended	Annual/Additional Council Meetings Attended	Closed meetings of Council Attended	Informal Meetings of Council Attended
Cr. Otha Akoch	11/11	3/3	3/3	33/36
Mayor, Cr. Debbie Arnott	11/11	3/3	3/3	36/36
Cr. Ben Blain	11/11	3/3	3/3	35/36
Cr. Vicki Jellie AM	9/11	3/3	3/3	36/36
Cr. Angie Paspaliaris	10/11	3/3	3/3	34/36
Cr. Max Taylor	10/11	2/3	2/3	34/36
Cr. Richard Ziegeler	11/11	3/3	3/3	36/36

Delegated committees

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

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

The following table contains a list of delegated committees established by the Council that are in operation and the purpose for which each committee was established.

Delegated committee	Councillors	Officers	Other	Purpose
Community & International Relations Advisory Committee	1	1	7	The purpose of the Committee will be to provide strategic advice on Council's sister city relationships, international relations and to advance Council's progress against the Welcoming Cities Standard. The Welcoming Cities Standard promotes acts of enabling all groups of people within a society to have a sense of belonging and to be able to participate in community life.
Environment and Sustainability Advisory Committee	1	3	8	The purpose of the Committee will be to provide strategic advice on Environment & Sustainability projects and programs to advance the Green Warrnambool vision that by 2040 Warrnambool will be the most environmentally sustainable regional city in Australia.
Economic Development and Tourism Advisory Committee	2	2	7	The purpose of the Committee is to provide strategic advice and direction in relation to Warrnambool economic development and tourism matters and to act as a conduit of information between stakeholders and the Warrnambool City Council.
Planning Advisory Committee	1	2	8	The purpose of the Committee will be to provide advice on strategic land use planning projects across the Warrnambool municipality.
Audit and Risk Committee	2	-	3	The purpose of the Committee is to advise Council on the effectiveness of the organisation's governance, risk, and financial internal control systems, processes and compliance culture to provide the Council with assurance and confidence in the integrity of these activities.
South-West Victorian Livestock Exchange Advisory Committee NOTE: Committee has not met since the closure and subsequent decommissioning of the Saleyards site.	2	2	5	The purpose of the Committee is to provide advice in relation to the management and operation of the Warrnambool Livestock Exchange and to act as a conduit of information between stakeholders and the Warrnambool City Council.

Code of conduct

The Act requires councils to develop and approve a councillor Code of Conduct within 12 months after each general election.

On February 1 2021, Council adopted a revised Councillor Code of Conduct which is designed to:

- Assist councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from Council's stakeholders
- Assist the mayor and councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
- Roles and relationships
- Dispute resolution procedures.

Conflict of interest

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

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and Committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty.

A register is maintained to record all disclosed conflict of interests. During 2022-2023 Councillors declared 17 conflicts of interest.

Type of Meeting	No. of Cr. Conflicts declared
Scheduled	6
Special/Additional	0
Closed	0
Informal	11

Councillor allowances and expenses

In accordance with Section 39 of the Act, councillors are entitled to receive an allowance while performing their duty as a councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to councillors and Mayors. Councils are divided into three categories based on the income and population of each council. In this instance Warrnambool City Council is recognised as a category two council.

In accordance with Section 40 of the Act, Council is required to reimburse a councillor for expenses incurred whilst performing their duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council committee paid by the Council.

The details of allowances and expenses including reimbursement of expenses for each Councillor and member of a Council committee paid by the Council for the 2022-2023 year are set out in the following table:

	Allowances	Vehicle Running Costs	Phone	Technology	Accommodation	Meals	Training	Travel	Membership	Airfares	Total \$
Cr Vicki Jellie AM	57,174	2,407	287	357	2,794	689	7,752	267	0	0	71,727
Cr Otha Akoch	30,739	0	226	357	2,006	801	8,861	72	0	804	43,864
Cr Max Taylor	39,714	0	223	357	0	689	6,281	0	0	0	47,263
Cr Angie Paspaliaris	30,739	0	224	357	0	689	6,281	0	0	0	38,289
Cr Ben Blain	30,739	0	223	357	955	689	13,280	0	0	0	46,242
Cr Debbie Arnott	79,520	4,291	223	357	3,534	772	9,626	114	0	0	98,437
Cr Richard Ziegeler	30,739	0	223	357	249	689	7,593	237	0	720	40,804
	299,361.75	6,698.26	1,628.31	2,496.08	9,537.63	5,016.21	59,674.38	689.62	0.00	1,523.42	386,625.66

Governance and management checklist

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

Governance and Management Items	Assessment	
1 Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with Section 55 of the Act on February 1, 2021.	✓
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Revised guidelines/template commenced with the adoption of the <i>Community Engagement Policy</i> on February 1, 2021.	✓
3 Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 92 of the Act on June 28, 2021.	✓
4 Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in Accordance with Section 92 of the Act on June 27, 2022.	✓
5 Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with Section 93 of the Act on June 28, 2021.	✓
6 Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date of adoption: June 26, 2023	✓
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to council's operations)	Policy commenced on May 14, 2022.	✓
8 Fraud and Corruption Control Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Adopted July 6, 2020	✓
9 Municipal emergency management plan (plan under section 60ADB of the Emergency Management Act 2013 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986. Revised November 2019.	✓
10 Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with Section 108 October 4, 2021.	✓
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan updated January 2021.	✓
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan updated January 2021.	✓

Governance and Management Items	Assessment	
13 Risk management framework (framework outlining Council's approach to managing risks to the council's operations)	Commenced in February 2021.	✓
14 Audit and Risk Committee (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act. Committee charter adopted in May 2020.	✓
15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Engaged.	✓
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Framework Date of adoption of current framework: 1 July 2015	✓
17 Council Plan report (report reviewing the performance of the Council against the council plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council provides quarterly reports to the community on progress made in each of the Council Plan objectives (activities and initiatives reports). Reports presented August 1, 2022; September 5, 2022; November 7, 2022; March 6, 2023.	✓
18 Financial reporting (quarterly statements to the Council under section 97(1) of the Local Government Act 2020, comparing actual and budgeted results and an explanation of any material variations)	Reports presented to the Council in accordance with section 97(1) of the Local Government Act 2020 Date reports presented: September 5, 2022; November 7, 2022; February 6, 2023; May 1, 2023.	✓
19 Risk reporting (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Date of reports: September 5, 2022 and May 1, 2023.	✓
20 Performance reporting (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Progress on Council Plan actions presented quarterly. Human Resources data presented quarterly to Audit and Risk Committee.	✓
21 Annual report (annual report under sections 98, 99 and 100 of the Local Government Act 2020 containing a report of operations and audited financial and performance statements)	2021-2022 Annual Report presented at a meeting of the Council in accordance with section 100 of the Act Date statements presented: October 3, 2022.	✓
22 Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Code of Conduct reviewed and adopted on February 1, 2021.	✓
23 Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Delegations reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act. Reviewed September 5, 2021.	✓
24 Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Governance Rules adopted May 3, 2021.	✓

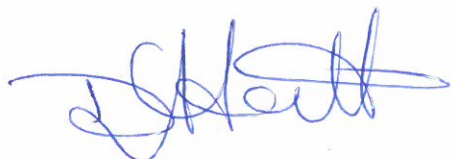
I certify that this information presents fairly the status of Council's governance and management arrangements.



Andrew Mason

Chief Executive Officer

Date:



Cr Debbie Arnott

Mayor

Warrnambool City Council

Date:

Statutory information

The following information is provided in accordance with legislative and other requirements applying to Council.

Contracts

Contracts entered into by Council valued in excess of \$250,000 were:

1. Construction Works McGennans Amenities Block - \$757,456.18
2. Tooram Road Outfall Drainage Construction - \$289,170.05
3. Japan Street Lower Catchment Drainage Upgrade - \$855,818.00
4. Register of Contractors Supporting Civil Infrastructure - \$2 million-plus
5. Footpath Renewal - \$438,241.30
6. Coastal Connect / Shared Services - \$3.6 Million (Total contract value. Joint agreement with Corangamite and Moyne shires.)
7. Kindergarten Cleaning Services - \$293,385.90
8. 1 x JCB 3CX plus Backhoe Loader, tilt bucket, auto greasing system and five-year / 6,000 hour warranty - \$261,426.00

Council issued eight tenders in 2022–23, covering the following service categories:

- community services
- consultancy and other work
- capital and infrastructure works
- operational services
- technology.

Procurement exemption

Council entered into the following contract valued at \$250,000 or more for works/goods/services without engaging in a competitive process:

- South Warrnambool Football Club changerooms refurbishment - \$447,892.00.

Disability Action Plan

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

Council has prepared a Disability Action Plan and actions include:

- promoted events such as Carers Week and International Day of People with a Disability
- the all-abilities kayak launch, disabled carpark and accessible footpath have been finished at Woodend Rd. A DDA compliant footpath has been designed and will be

delivered to connect the new McGennan amenities block to McGennan Car Park which will allow for all abilities access from the Changing Places facilities and Lake Pertobe Playspace all the way to the McGennan Car Park, beach, and beyond.

- Council continues to organise programs for people with a disability at the Archie Graham Community Centre, Warrnambool Stadium and most of the equipment offered has been upgraded to facilitate the needs of people with disabilities.
- Two performances at the Lighthouse Theatre were supported with a live Auslan interpreter (The Sunshine Club and Comedy Festival Roadshow), and the new hearing augmentation system (hearing loop) was launched and is now successfully in use across our venues.

Domestic Animal Management Plan

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

Council adopted the Domestic Animal Management Plan 2021–22 in October 2021.

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

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. Further information regarding FOI can be found at www.foi.vic.gov.au and on the Warrnambool City Council website, www.warrnambool.vic.gov.au

In 2022–2023 Council received four Freedom of Information requests.

Protected disclosure procedures

The Protected Disclosure Act 2012 aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available Council's website.

During the 2022–2023 year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, a 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.

Infrastructure and development contributions

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

Council did not receive any infrastructure contributions over 2022-2023. The tables below describe development contributions over this period.

Developer Contributions

Total DCP Levies Received in 2022-23

DCP Name (year approved)	Levies Received in 2022-23 financial year \$
North of the Merri DCP (2011)	\$0
North Dennington DCP (2014)	\$0
Total	\$0

DCP land, works, services or facilities accepted in-kind in 2022-23

DCP Name (year approved)	Project ID	Project Description	Item Purpose	Project Value
North of the Merri DCP (2011)	DR02	Riverland Estate Stage 4	Footpath, Road, and Drainage Assets provided in-kind	\$2,398,900
North Dennington DCP (2014)	RO02			\$0
Total				\$2,398,900

Total DCP contributions received and expended to date

DCP Name (year approved)	Total levies received \$	Total levies expended \$	Total works-in-kind accepted \$	Total DCP contributions received (levies and works-in-kind) \$
North of the Merri DCP (2011)	1,406,804.52	1,199,341.33	2,903,221.00	4,310,025.52
North Dennington DCP (2014)	0.00	-	289,114.00	289,114.00
Total	\$1,406,805	\$1,199,341	\$3,192,335	\$4,599,140

Land, works, services or facilities delivered in 2022-23 financial year from DCP levies collected

Project description	Project ID	DCP name and year approved	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered
North of the Merri DCP (2011)	DR02	North of the Merri DCP (2011)	\$213,473.55	\$2,398,900.00	\$213,473.55	\$0.00	\$213,473.55	5%
North Dennington DCP (2014)	RO02	North Dennington DCP (2014)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
Total			\$213,473.55	\$2,398,900.00	\$213,473.55	\$0.00	\$213,473.55	



WARRNAMBOOL
CITY COUNCIL

Performance Statement

For the year ended 30 June 2023



Description of municipality

The municipality of Warrnambool covers 120sqkm in Victoria's South West.

It includes the city of Warrnambool and townships of Allansford, Bushfield and Woodford.

Warrnambool is 263km south-west of Melbourne and connected to the capital via the Princes Highway and by rail.

It has annual population growth of about one per cent, a population of 35,600 and is the most populous city in the South West.

It contains the coastal city of Warrnambool and the towns of Allansford, Bushfield and Woodford.

Warrnambool has a growing population and over recent years has attracted people seeking a seachange and those from the region who are seeking professional and educational opportunities.

Stunning Lady Bay provides a focal point and major attraction for residents and visitors and in winter and spring the bay is home to southern right whales and their calves.

Warrnambool serves as a centre for a regional population of about 120,000 people. It contains a TAFE college, a Deakin University campus including a School of Medicine and a base hospital which is part of South West Healthcare. The major employment sectors are health care and social assistance, retail, manufacturing, education and training, accommodation and food

services, professional services and construction.

Warrnambool has a moderate climate with an average maximum summer temperature of about 24°C, while the average winter maximum is about 14°C.

The Great South Coast region features major visitor attractions including the 12 Apostles, Tower Hill and Budj Bim National Park. Along with the natural attractions visitors are drawn to events including the speedway car racing, the May Racing Carnival and surf lifesaving events.

The region also features some of Australia's most fertile agricultural land much of which is dedicated to dairy and beef production. Major dairy manufacturers and a large meat processor are situated in and around Warrnambool providing a major source of employment.

Warrnambool's economy generates an annual output of \$4.743 billion accounting for over 25 per cent of the Great South Coast region's economic output from less than one per cent of the land area.

Overview of 2022-2023

Throughout the course of the financial year COVID-safe measures began to ease which in turn meant that a number of Council entities including the Library and AquaZone began to return to more usual operation levels.

A number of substantial capital works projects were completed in the financial year including the replacement of Edwards Bridge and the upgrade of Lake Pertobe Adventure Playspace and the new library, situated on the campus of South West TAFE.

Sustainable Capacity Indicators

For the year ended 30 June 2023

Indicator / measure [formula]	Results				Comment
	2020	2021	2022	2023	
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$2,052.59	\$2,044.55	\$2,102.06	\$2,455.97	Increases in Materials and Services due to current costs of materials and labour shortages has resulted in higher cost per head.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$13,267.27	\$13,429.52	\$16,094.87	\$17,353.60	Increase in Infrastructure per head of municipal population mainly due to the increasing valuation of Council's portfolio of assets.
Population density per length of road [Municipal population / Kilometres of local roads]	104.71	104.82	104.11	102.96	
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,685.48	\$1,617.14	\$1,813.41	\$1,934.68	Own-source income during 2020-2021 was impacted by the pandemic and Council's COVID response during that period, notably on lower user fees due to temporary volume and price impacts. The own-source revenue has steadily improved post-COVID as Council facilities returned to normal operations.
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$342.09	\$359.36	\$389.45	\$444.62	Council received 100% of the 2023-2024 Victoria Grants Commission payment in 2022-2023.
Disadvantage					
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	5.00	5.00	5.00	5.00	
Workforce turnover					
Percentage of staff turnover					
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.1%	10.5%	13.1%	12.4%	

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2023

Service/indicator/measure [formula]	Results				Comment
	2020	2021	2022	2023	
Aquatic Facilities Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.37	3.65	3.96	5.63	Focus on moving back towards pre-COVID numbers has resulted in stronger attendance across all areas of operations.
Animal Management Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	0%	0%	During the 2022-23 financial year, Council did not initiate any animal management prosecutions as there was no incidents that warranted a prosecution.
Food Safety Health and safety Critical and major non-compliance outcome notifications					
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100.00%	47.22%	100.00%	50.00%	Council was unable to address all major & critical outcome notifications due to staffing constraints. These notifications have been rolled over to 2023/24 & made a priority.
Governance Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	38	49	58	44	A high base in 21/22 and a number of controversial items that were being considered by Council at the time of the survey has contributed to the decline in community satisfaction.
Libraries Participation Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	13.87%	12.36%	11.22%	17.10%	The new joint use public and TAFE Library opened on 13th October 2022 offering vastly improved levels of service and improved and new functional spaces. It is has been very well received by community and TAFE cohort

Service/indicator/measure [formula]	2020	2021	2022	2023	Comment
Maternal and Child Health (MCH) Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	77.68%	82.25%	82.97%	79.42%	
Participation Participation in the MCH service by Aboriginal children [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	80.00%	86.81%	93.21%	80.75%	Aboriginal MCH program/ coordinator position vacant at partner service used by Council, who assist with families who identify as Aboriginal, therefore the uptake of MCH services was lower than previous years.
Roads Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	48	59	60	50	The public perceptions in relation to this category relate predominantly to the State road network. The assessment of Council's performance regarding the condition of sealed local roads has experienced a decline over the past year, although it still performs higher than the State-wide and Regional Centres group. Efforts are being made to enhance community understanding in this specific area.
Statutory Planning Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	50.00%	0.00%	80.00%	During 2022/23 5 planning applications were referred to VCAT
Waste Collection Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	64.30%	64.44%	66.24%	67.24%	

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

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

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

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

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized

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

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

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

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

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

"population" means the resident population estimated by council

Financial Performance Indicators

For the year ended 30 June 2023

Dimension/Indicator/ measure	Results					Forecasts			Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
Efficiency									
Expenditure level									
Expenses per property assessment	\$4,136.33	\$4,122.63	\$4,177.02	\$4,724.40	\$4,885.73	\$4,716.53	\$4,796.96	\$4,880.64	Net losses on disposed assets in 2022-2023 totalled \$4.2m, reflecting the demolition of assets as part of upgrade programs and the sale of council assets.
[Total expenses / Number of property assessments]									
Revenue level									
Average rate per property assessment	\$1,946.27	\$1,996.37	\$2,026.28	\$2,036.72	\$2,121.96	\$2,201.71	\$2,256.29	\$2,312.42	
[Total rate revenue (general rates and municipal charges) / Number of property assessments]									

Council's cash balance increased due to the receipt of a number of grants for projects that will commence in 2023-2024. Council also received 100% of the 2023-2024 Victoria Grants Commission payment in 2022/23, there was an increase in user fees and salary costs were lower than expected due to vacancies. A number of multi-year capital projects or capital projects scheduled for 2022-2023 that were not completed have been rolled over into 2023-2024 which will reduce the ratio in that year before averaging out over the coming years.

Liquidity
Working capital
Current assets compared to current liabilities
[Current assets / Current liabilities] x100

Dimension/Indicator/ measure	2020	2021	2022	2023	2024	2025	2026	2027	Material Variations and Comments
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	125.43%	77.97%	109.24%	-38.81%	-84.45%	-75.67%	-85.63%	-89.38%	In terms of better proactive guidelines, from the current year Term Deposits with maturity days of greater than 90 are considered as restricted cash and have been excluded from the "unrestricted cash" ratio from 2022-2023 to forecast year 2026-2027. Council will fund Capital works and Projects from these Term Deposits as well as shortfalls in operational liabilities as the Term Deposits are set to mature periodically to ensure adequate funds are available as required.
Obligations Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	20.39%	19.54%	24.54%	22.93%	18.16%	13.96%	10.54%	8.04%	Council has no current plans for further borrowings over the forecast period.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and bor- rowings / Rate revenue] x100	4.85%	4.28%	4.42%	4.26%	4.36%	3.80%	3.23%	2.36%	
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	15.09%	15.42%	17.03%	14.73%	12.11%	9.39%	7.35%	7.58%	Council borrowed funds for the Reid Oval upgrade and the Learning and Library Hub. User fees income has increased during 2022-2023 resulting in a more favourable non-current liability versus own source income ratio. In the forecast period, Council is not intending to borrow more funds.

Dimension/Indicator/ measure	2020	2021	2022	2023	2024	2025	2026	2027	Material Variations and Comments
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	101.76%	115.13%	131.15%	117.14%	179.58%	152.47%	152.61%	116.82%	Council received significant grant funds for projects that had elements of renewal, in particular, the Reid Oval upgrade which was completed in 2021-2022. During 2022-2023 renewal projects completed were mainly footpath and roads assets renewal. In the forecast period, the level of asset renewal will fluctuate depending on the major capital works and level of government funding.

Operating position
Adjusted underlying
result

Adjusted underlying
surplus (or deficit)
[Adjusted underlying
surplus (deficit) / Adjusted
underlying revenue] x100

3.21%

0.81%

7.57%

7.54%

-1.99%

2.47%

2.79%

3.06%

Stability

Rates concentration
Rates compared to ad-
justed underlying revenue
[Rate revenue / Adjusted
underlying revenue] x100

54.58%

57.11%

53.35%

49.54%

53.00%

54.37%

54.61%

54.85%

Rates effort

Rates compared to prop-
erty values
[Rate revenue / Cap-
ital improved value of
rateable properties in the
municipality] x100

0.58%

0.58%

0.57%

0.42%

0.41%

0.42%

0.42%

0.42%

A significant increase in Property Values over 2022-2023, together with rates capping, has resulted in lower rates compared to property values over previous years.

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

"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.

Other Information

For the year ended 30 June 2023

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its financial plan on 28 June 2021 and which forms part of the council plan. The financial plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The financial plan can be obtained by contacting council.

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.



John Brockway CPA

Principal Accounting Officer

Dated: 25 September 2023

In our opinion, the accompanying performance statement of the Warrnambool City 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.



Cr Ben Blain

Councillor

Dated: 25 September 2023



Cr Angie Paspaliaris

Councillor

Dated: 25 September 2023



Andrew Mason

Chief Executive Officer

Dated: 25 September 2023

Independent Auditor's Report

To the Councillors of Warrnambool City Council

Opinion

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

- description of municipality for the year ended 30 June 2023
- overview of 2022-2023
- 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
- other information and
- certification of the performance statement.

In my opinion, the performance statement of Warrnambool City 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
3 October 2023



Travis Derricott
as delegate for the Auditor-General of Victoria



ANNUAL FINANCIAL REPORT

for the year ended 30 June 2023



Annual Financial Report

for the year ended 30 June 2023

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Annual Financial Report

for the year ended 30 June 2023

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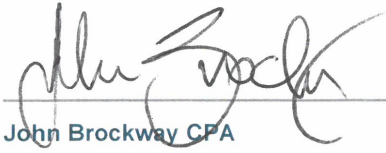


Annual Financial Report

for the year ended 30 June 2023

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.



John Brockway CPA
Principal Accounting Officer

Dated: 25 September 2023
Warrnambool

In our opinion, the accompanying financial statements present fairly the financial transactions of Warrnambool City 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 which would render any particulars in the financial statements to be misleading or inaccurate.

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



Cr Ben Blain
Councillor

Dated: 25 September 2023
Warrnambool



Cr Angie Paspaliaris
Councillor

Dated: 25 September 2023
Warrnambool



Andrew Mason
Chief Executive Officer

Dated: 25 September 2023
Warrnambool



Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Warrnambool City Council

Opinion

I have audited the financial report of Warrnambool City 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.

Level 31 / 35 Collins Street, Melbourne Vic 3000

T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

**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
3 October 2023



Travis Derricott
as delegate for the Auditor-General of Victoria

Annual Financial Report

for the year ended 30 June 2023

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across Victoria are required to present a set of audited financial statements to their council and community.

What you will find in the Report

The financial report set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2023.

The format of the financial report is standard across all Victorian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by Local Government Victoria.

About the Certification of the Financial Statements

The financial statements must be certified by senior staff and Councillors as "presenting fairly" the Council's financial results for the year as well as Council's financial position, and are required to be adopted by Council - ensuring both responsibility for and ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. Comprehensive Income Statement

Summarises Council's financial performance for the year, listing all income & expenses.

Includes other comprehensive income which primarily records changes in the fair values of Council's property, infrastructure, plant and equipment.

2. Balance Sheet

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

3. Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

5. Statement of Capital Works

This statement details all amounts expended by Council on capital works.

About the Notes to the Financial Report

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by the Victorian Auditor General's Office.

The auditor provides an audit report which gives an opinion on whether the financial statements present fairly the Council's financial performance and position.

Who uses the Financial Report?

The financial report is a publicly available document and is used by (but not limited to) Councillors, residents and ratepayers, employees, suppliers, contractors, customers, Local Government Victoria, state and federal governments, and financiers including banks and other financial institutions.

The financial statements must be presented at a Council meeting (open to the public) by 31 October.



Comprehensive Income Statement

for the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Income / Revenue			
Rates and charges	3.1	45,038	43,202
Statutory fees and fines	3.2	2,296	2,239
User fees	3.3	19,435	16,261
Grants - operating	3.4	18,062	14,481
Grants - capital	3.4	9,150	8,157
Contributions - monetary	3.5	3,709	1,278
Found assets	3.8	–	102
Contributions - non monetary	3.5	6,647	4,705
Net gain on disposal of property, infrastructure, plant and equipment	3.6	–	126
Other income	3.7	1,951	2,742
Total income / revenue		106,288	93,293
Expenses			
Employee costs	4.1	37,635	35,990
Materials and services	4.2	30,312	25,228
Depreciation	4.3	13,375	12,435
Amortisation - Right of use assets	4.4	307	282
Bad and doubtful debts - allowance for impairment losses	4.5	212	37
Borrowing costs	4.6	272	211
Finance Costs - Leases	4.7	29	35
Net loss on disposal of property, infrastructure, plant and equipment	3.6	4,234	–
Other expenses	4.8	860	630
Total expenses		87,236	74,848
Surplus for the year		19,052	18,445
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	86,038	84,582
Total items which will not be reclassified subsequently to the operating result		86,038	84,582
Total other comprehensive income		86,038	84,582
Total comprehensive result		105,090	103,027

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

Balance Sheet

as at 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	7,795	12,838
Prepayments	5.2	987	552
Trade and other receivables	5.1	3,243	3,552
Other financial assets	5.1	40,500	25,000
Inventories	5.2	190	202
Other assets	5.2	2,099	1,617
Total current assets		54,814	43,761
Non-current assets			
Trade and other receivables	5.1	—	1
Other financial assets	5.1	2	2
Property, infrastructure, plant and equipment	6.1	830,928	737,030
Right-of-use assets	5.8	992	1,225
Total non-current assets		831,922	738,258
Total assets		886,736	782,019
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,458	5,322
Trust funds and deposits	5.3	2,026	2,034
Unearned income/revenue	5.3	7,224	6,291
Provisions	5.5	6,913	6,813
Interest-bearing liabilities	5.4	1,909	1,562
Lease liabilities	5.8(b)	277	286
Total current liabilities		22,807	22,308
Non-current liabilities			
Provisions	5.5	961	992
Interest-bearing liabilities	5.4	8,420	9,039
Lease liabilities	5.8(b)	741	963
Total non-current liabilities		10,122	10,994
Total liabilities		32,929	33,302
Net assets		853,807	748,717
Equity			
Accumulated surplus		274,746	265,259
Reserves	9.1	579,061	483,458
Total Equity		853,807	748,717

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

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2023					
Balance at beginning of the financial year		748,717	265,259	469,456	14,002
Surplus/(deficit) for the year		19,052	19,052	—	—
Other comprehensive income					
Net asset revaluation increment/(decrement)	6.1	86,038	—	86,038	—
Other comprehensive income from investment in associates		—	—	—	—
Other comprehensive income		86,038	—	86,038	—
Total comprehensive income		105,090	19,052	86,038	—
Transfers to other reserves	9.1	—	(10,074)	—	10,074
Transfers from other reserves	9.1	—	509	—	(509)
Balance at end of the financial year		853,807	274,746	555,494	23,567
2022					
Balance at beginning of the financial year		645,690	248,976	384,874	11,840
Surplus/(deficit) for the year		18,445	18,445	—	—
Other comprehensive income					
Net asset revaluation increment/(decrement)	6.1	84,582	—	84,582	—
Other comprehensive income from investment in associates		—	—	—	—
Other comprehensive income		84,582	—	84,582	—
Total comprehensive income		103,027	18,445	84,582	—
Transfers to other reserves	9.1	—	(2,781)	—	2,781
Transfers from other reserves	9.1	—	619	—	(619)
Balance at end of the financial year		748,717	265,259	469,456	14,002

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

	Notes	2023 Inflows/ (Outflows) \$ '000	2022 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		44,766	43,630
Statutory fees and fines		2,489	1,905
User fees		21,506	15,357
Grants - operating		17,849	16,046
Grants - capital		10,339	6,185
Contributions - monetary		3,709	1,278
Interest received		1,268	47
Trust funds and deposits taken		4,204	5,223
Other receipts		(2,145)	1,635
Net GST refund/(payment)		203	209
Employee costs		(38,094)	(35,895)
Materials and services		(30,538)	(24,544)
Short-term, low value and variable lease payments		(260)	(234)
Trust funds and deposits repaid		(4,212)	(4,883)
Other payments (incl. Interest paid)		(622)	(841)
Net cash provided by/(used in) operating activities	9.2	30,462	25,118
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(20,034)	(20,141)
Proceeds from sale of property, infrastructure, plant and equipment		635	429
Payments for investments		(27,500)	(11,000)
Proceeds from sale of investments		12,000	6,000
Net cash provided by/(used in) investing activities		(34,899)	(24,712)
Cash flows from financing activities			
Proceeds from borrowings		1,375	4,125
Repayment of borrowings		(1,647)	(1,697)
Interest paid - lease liability		(29)	(35)
Repayment of lease liabilities		(305)	(275)
Net cash flow provided by/(used in) financing activities		(606)	2,118
Net Increase (decrease) in cash and cash equivalents		(5,043)	2,524
Cash and cash equivalents at the beginning of the financial year		12,838	10,314
Cash and cash equivalents at the end of the financial year		7,795	12,838
Financing arrangements	5.6	5,850	5,850

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

	2023 \$ '000	2022 \$ '000
Property		
Land	—	429
Land improvements	62	—
Total land	62	429
Buildings specialised	3,750	2,875
Buildings non-specialised	18	—
Total buildings	3,768	2,875
Total property	3,830	3,304
Plant and equipment		
Plant, machinery and equipment	1,032	987
Computers and telecommunications	513	422
Library books	591	150
Paintings and exhibits	—	69
Total plant and equipment	2,136	1,628
Infrastructure		
Roads	3,509	4,609
Bridges	1,256	2,615
Footpaths and cycleways	3,542	754
Drainage	779	499
Recreational, leisure and community facilities	458	—
Parks, open space and streetscapes	1,587	6,733
Aerodromes	478	—
Off street car parks	—	—
Other infrastructure	2,448	1
Total infrastructure	14,057	15,211
Total capital works expenditure	20,023	20,143
Represented by:		
New asset expenditure	4,573	3,828
Asset renewal expenditure	9,211	14,103
Asset expansion expenditure	113	6
Asset upgrade expenditure	6,126	2,206
Total capital works expenditure	20,023	20,143

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 1. Overview

Introduction

Warrnambool City Council was established by an Order of the Governor in Council on 20 September 1994 and is a body corporate.

The Council's main office is located at 25 Liebig Street, Warrnambool.

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 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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 1. Overview (continued)

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.

1.2 Impact of Covid-19

During 2022-23 the COVID-19 pandemic impact to Council's financial operations were:

- Additional Revenue: Council received COVID-19 related grants of \$90,000 in the Community Development directorate which will be spent during 2023-24
- Additional costs: Council incurred costs amounting to \$594,829 during 2022-23 to complete projects using COVID-19 related grant funding brought forward from 2021-22

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2. Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of greater than 10 percent and at least \$500,000 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*.

	Budget 2023 \$ '000	Actual 2023 \$ '000	Variance \$ '000	Variance %	Ref
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2.1.1 Income / Revenue and expenditure

Income / Revenue

Rates and charges	44,693	45,038	345	1%	
Statutory fees and fines	2,233	2,296	63	3%	
User fees	18,629	19,435	806	4%	
Grants - operating	12,830	18,062	5,232	41%	1
Grants - capital	1,275	9,150	7,875	618%	2
Contributions - monetary	1,141	3,709	2,568	225%	3
Contributions - non monetary	6,500	6,647	147	2%	
Other income	455	1,951	1,496	329%	4
Total income / revenue	87,756	106,288	18,532	21%	

Expenses

Employee costs	39,299	37,635	1,664	4%	
Materials and services	25,231	30,312	(5,081)	(20)%	5
Depreciation	12,966	13,375	(409)	(3)%	
Amortisation - right of use assets	265	307	(42)	(16)%	
Bad and doubtful debts - allowance for impairment losses	149	212	(63)	(42)%	
Borrowing costs	235	272	(37)	(16)%	
Finance costs - leases	46	29	17	37%	
Net loss on disposal of property, infrastructure, plant and equipment	624	4,234	(3,610)	(579)%	6
Other expenses	449	860	(411)	(92)%	
Total expenses	79,264	87,236	(7,972)	(10)%	

Surplus for the year

8,492	19,052	10,560	124%
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Other comprehensive income

Net asset revaluation increment / (decrement)	10,848	86,038	75,190	693%	7
Total comprehensive result	19,340	105,090	85,750	443%	

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Explanation

Ref

- Operating grant income was \$5.23m favourable to the adopted budget, of which \$1.27m was received last financial year and recognised in 2022-23 as performance obligations were completed. These included the Covid-Safe Outdoor Activation project \$0.48m, Sustainability funding \$0.14m, Art Gallery Business Case \$0.11m, Building Blocks Inclusion \$0.11m, School Readiness \$0.11m plus a number of other grants under \$0.1m.

The remainder of operating grant variances to budget in 2022-23 include \$2.22m Victorian Grants Commission funding (including 100% of the 2023-24 allocation received in advance), Sessional Kindergarten funding for 2023 \$0.48m, L2P Program \$0.10m, LaunchVic program \$0.09m, and various other grants under \$0.09m.

- Capital grant income was \$7.88m favourable to budget, primarily due to the timing of projects. The Port of Warrnambool Boat Ramp Upgrade grant was carried over from 2021-22 of \$1.10m and an additional unbudgeted \$0.82m was received and spent on the project in 2022-23. Unbudgeted Port of Warrnambool Harbour Dredging funding received in 2022-23 of \$0.75m and \$0.29m carried over from 2021-22, which was transferred from the completed Enclosed Harbour Design Project with the approval of the State Government.

Other 2022-23 capital project funding spent and not budgeted for included Stanley Street Bridge Upgrade \$0.8m, Library Stock \$0.5m, Lake Pertobe Upgrade \$0.45m, Roads to Recovery \$0.43m, Local Roads and Community Infrastructure \$0.43m, South of the Merri Open Space \$0.33m, Preschool Facility Upgrades \$0.2m, Joint Use Library \$0.14m, Airport Sealing Project \$0.08m and Jetty Flat Pavilion \$0.05m.

Other funding carried over from previous years for the delivery of projects included Local Roads and Community Infrastructure \$0.6m, Jetty Flat Pavilion redevelopment \$0.43m, Jubilee Park Accessible Toilets \$0.17m, Preschool Building Blocks Planning \$0.10m, Jubilee Park Boat Ramp upgrade \$0.07m, Road Safety Implementation \$0.07m, and Dennington Reserve Netball Upgrade \$0.06m.

- A number of unbudgeted developer contributions were received during 2022-23, these relate to ongoing development projects and totalled \$2.02m.

Other unbudgeted contributions were received for various capital projects of \$0.55m; including funds for Bushfield Reserve \$0.19m, Reid Oval \$0.11m, and Jetty Flat Pavilion \$0.06m, plus a number of other contributions under \$0.06m that were not included in the budget.

- Other income was above budget mainly due to higher investment returns achieved on Council's investments \$1.11m (average term deposit rate at 30 June 2023 of 4.62% compared to 1.51% last year), and recognition of the volunteer workforce services income at Lighthouse Theatre and Meals on Wheels, which totalled \$0.34m (offset by an equivalent amount in expenditure).

- Materials and services expenditure was above budget primarily due to works being completed from new unbudgeted projects or the completion of projects carried forward from the previous year. This included the Port of Warrnambool boat ramp surface works \$1.93m and harbour dredging \$1.14m, which are Victorian Government owned assets managed by Warrnambool City Council, preschool facility upgrades at Lions Hopkins, South and Matron Swinton preschools \$0.25m, Building Blocks program inclusion equipment across the city's kindergartens \$0.11m and various City Sustainability projects \$0.22m.

Infrastructure Services Management includes timing of expenses relating to ongoing capital works of \$0.51m. An increase in events at the Lighthouse Theatre (post COVID-19) resulted in above budget expenditure of \$0.87m, which was offset by additional income, and the Art Gallery Business Case was completed at a cost of \$0.14m which was primarily funded from a prior year grant.

The above variances were partially offset by favourable variances including Aquazone utility costs \$0.14m and the impact of the saleyards closure \$0.12m.

Note 2.1 Performance against budget (continued)

6. The net loss on disposal of assets was higher than budget for the 2022-23 financial year due to the impact of carried-forward projects, including the demolition of old buildings at Reid Oval \$0.89m and Jetty Flat \$0.20m as part of project works; sale of 14 community houses \$1.60m and associated land \$1.60m. This was partially offset by higher gains on the sale of other assets such as plant and fleet.
7. Council has assessed the value of its asset base through a unit cost methodology. A revaluation of all infrastructure assets and buildings occurred in 2022-23 and there were significant increases in costs associated with roads, footpaths, bridges and specialised land.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2.1 Performance against budget (continued)

	Budget 2023 \$ '000	Actual 2023 \$ '000	Variance \$ '000	Variance %	Ref
2.1.2 Capital works					
Property					
Land	—	—	—	∞	
Land improvements	—	62	62	∞	
Total land	—	62	62	∞	
Buildings specialised	480	3,750	3,270	681%	1
Buildings non-specialised	3,425	18	(3,407)	(99)%	2
Building improvements	—	—	—	∞	
Total buildings	3,905	3,768	(137)	(4)%	
Total property	3,905	3,830	(75)	(2)%	
Plant and equipment					
Plant, machinery and equipment	1,762	1,032	(730)	(41)%	3
Computers and telecommunications	370	513	143	39%	
Library books	280	591	311	111%	
Paintings and exhibits	131	—	(131)	(100)%	
Total plant and equipment	2,543	2,136	(407)	(16)%	
Infrastructure					
Roads	4,269	3,509	(760)	(18)%	4
Bridges	2,500	1,256	(1,244)	(50)%	5
Footpaths and cycleways	3,364	3,542	178	5%	
Drainage	2,331	779	(1,552)	(67)%	6
Recreational, leisure and community facilities	3,741	458	(3,283)	(88)%	7
Parks, open space and streetscapes	2,584	1,587	(997)	(39)%	8
Aerodromes	30	478	448	1,493%	
Off street car parks	125	—	(125)	(100)%	
Other infrastructure	4,960	2,448	(2,512)	(51)%	9
Total infrastructure	23,904	14,057	(9,847)	(41)%	
Total capital works expenditure	30,352	20,023	(10,329)	(34)%	
Represented by:					
New asset expenditure	2,839	4,573	1,734	61%	10
Asset renewal expenditure	15,486	9,211	(6,275)	(41)%	11
Asset expansion expenditure	—	113	113	∞	
Asset upgrade expenditure	12,027	6,126	(5,901)	(49)%	12
Total capital works expenditure	30,352	20,023	(10,329)	(34)%	

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
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- | | |
|-----|--|
| 1. | This budget line will be offset by the variance in the "Buildings non-specialised" line. |
| 2. | This budget line will be offset by the variance in the "Buildings specialised" line. |
| 3. | Council's fleet replacement program for 2022-23 was impacted by supply chain issues regarding availability and delivery delays. The program will be carried forward into the 2023-24 financial year. |
| 4. | Expenditure in 2022-23 included \$1.01m on Botanic Road, \$0.78m on Council's Road Resealing program, \$0.53m on the Wollaston Road, and \$0.14m on Renewal design works. The remainder of expenditure was spent on various projects, each with expenditure lower than \$0.1m. Unspent budget funds relating to Council's Local Roads Rehabilitation program will be carried forward into the 2023-24 financial year. |
| 5. | Council Budgeted \$2.3 million for the Stanley Street bridge in 2022-23. Council was unable to complete all of its bridge construction program for 2022-23. This budget was predominantly for Edwards Bridge. A greater proportion of this project than budgeted was spent in the previous year, meaning the carried forward amount into 2022-23 (and actual expenditure) was less than budgeted. |
| 6. | Council was unable to complete all of its drainage construction program for 2022/23 this is due to timing of project planning and design for the Japan Street catchment project. This budget will be carried forward into the 2023-24 financial year. |
| 7. | Actual works of \$0.4m for recreational, leisure and community facilities includes \$2.9m of additions offset by \$2.5m of transfers from other classes not included in capital works for 2022-23. Budget for 2022-23 included \$1.8m recreational facility upgrades, \$0.6m synthetic hockey pitch renewal and \$0.9m Jetty Flat redevelopment. Unspent budgets for these projects will be carried forward into the 2023-24 financial year. |
| 8. | Actual works for parks, open space and streetscape 2022-23 includes \$0.6m for the McGennan's toilet block and \$0.3m playground renewal. Council budgeted works for parks, open space and streetscape programs in 2022-23 included \$1.5m in Lake Pertobe upgrades, \$0.3m for the South of the Merri implementation and \$0.6m for playground renewal. Remaining unspent project budgets will be carried forward for delivery in the 2023-24 financial year. |
| 9. | The saleyards upgrade works were budgeted for the 2022-23 financial year. Council made the decision in 2022-23 to cease operations of this service. The remaining budget will be carried forward and utilised for the decommissioning project in 2023-24. Any unused funding at the completion of the decommissioning project will be returned to Council's cash reserves. |
| 10. | The Joint Use Library works were not included in the initial budget for 2022-23 as they were carried forward from the 2021-22 financial year. |
| 11. | The saleyards renewal works of \$1.9m were budgeted for in the 2022-23 financial year. The initial budget did not allow for the closure of the saleyards, as this decision was made by Council mid-year. Budgeted renewal works of \$4m for the 2022-23 financial year will be carried forward into the 2023-24 financial year, including \$0.9m of building renewal, \$0.3m of IT infrastructure, \$0.75m for Lake Pertobe upgrades, \$0.4m for the city pound, \$0.7m for fleet purchases and \$0.6m for the synthetic hockey pitch. |
| 12. | The saleyards upgrade works \$3m were budgeted for the 2022-23 financial year. The initial budget did not allow for the closure of the saleyards, as this decision was made by Council mid-year. Budgeted upgrade works of \$3.0m for the 2022-23 financial year will be carried forward into the 2023-24 financial year, including the Japan Street Drainage project, and environmental sustainability projects. |

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Corporate Strategies

The Corporate Strategies directorate is responsible for financial services, procurement, revenue, property and land management, leasing and legal issues, city assist (customer service), organisational development (human resources, occupational health and safety, learning and development), business improvement, information technology and records, communication services and the Warrnambool Livestock Exchange (ceased operations on 13 December 2022).

The directorate is largely responsible for servicing the administrative and legislative needs of other directorates with back-of-house systems and other support.

City Infrastructure

The City Infrastructure directorate provides infrastructure, capital works, asset management, waste management, environment and sustainability services, local laws, and services to the Port of Warrnambool and the management of the Warrnambool Regional Airport. The directorate also assists in facility management and oversight of the council cleaning contract, security contract and essential safety measures contract, through the building services team included in the strategic assets property and projects branch. Administrative support is provided to a number of Project Control Groups, Reference Groups and where possible administration support is provided to other programs outside of the City Infrastructure directorate.

The directorate provides engineering services including investigation, design, road safety projects, processing of development approvals, project management and engineering supervision of key infrastructure projects. Strategy and policy advice is provided to council along with technical services and advice to the community. Provision of contract management for most projects in the capital works program as well as servicing the community by managing the city's road, drainage and footpath network, parks, recreational and sporting facilities and vehicle fleet. City Infrastructure also takes responsibility for playground renewals, accessible parking and project management advice, where required.

The directorate is also responsible for local law enforcement, traffic and animal control and administration of school crossing supervision and is active in promoting and has taken a lead role in the management and supply protective equipment to reduce the spread of covid-19 through the procurement of essential items, such as, masks, sanitiser and rapid antigen tests. The directorate's immunisation team have also actively assisted in the roll-out of influenza vaccines and were previously assisting with covid-19 vaccines through South West Health Care.

In 2022/23, the City Infrastructure team has overseen the implementation of a number of large capital works projects. These include the completion of the play-space at Lake Pertobe, a project funded through the Commonwealth Building Better Regions Fund and Council. The completion of the upgrade to the Warrnambool Boat Ramp and improvements to the facilities for boat launching at Jubilee Park – Allansford, both projects funded via Better Boating Victoria, the completion of a significant upgrade to the pavilion at the Jetty Flat sporting precinct (adjacent to Lake Pertobe) and oversaw the initial stages of the decommissioning of the South West Victorian Livestock Exchange. In addition to these large capital works exercises, the directorate also managed a large asset renewal program, which included approximately \$900K of road renewal, just over \$800K of road reseals and approximately \$600K of footpath renewal in the Warrnambool CBD. All of these projects have required the management of significant grant funds to enable them to be undertaken.

City Infrastructure staff have also facilitated the detailed designs for a large drainage contract to be undertaken in Japan Street Warrnambool to alleviate urban flooding, an upgrade to a drainage line in Allansford to reduce flood risk to the central section of the town when the Hopkins River is high, designed a new pedestrian/school crossing for Raglan Parade (Princes Highway) and completed designs for an upgrade to the Lava Street/Kepler Street roundabout as a Blackspot funded project. All of these projects are programmed to be completed in the first quarter of the 2023/24 financial year.

Community Development

The Community Development directorate plans for and provides a broad range of strategies, plans and policies, functions and services across social, cultural, community, recreational and educational services, children and family services and community facilities to support residents and users of all ages and stages of life. The Directorate receives funding from a variety of sources including Fee for service, State and Federal Government departments in order to subsidise, deliver and/or support Council services and facilities provided. The Directorate also works in partnership with a range of Government departments, not-for-profits and non-government agencies, private sector / philanthropic partners in order to plan, advocate, develop and / or deliver projects, programs or initiatives that achieve the community's strategic goals and aspirations.

Services in the Directorate include: community policy and planning, early years program, maternal and child health, family and children services, pre-schools, family day care, outside school hours care, Warrnambool Library and Learning Centre, AquaZone aquatic centre, multi-purpose sports stadium, recreation and planning, Warrnambool Art Gallery, Lighthouse

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2.2 Analysis of Council results by program (continued)

Theatre, youth services, Archie Graham Community Centre, volunteer services, home and community care, meals on wheels, home maintenance, respite care, social support programs, neighbourhood house, social inclusion initiatives, Municipal health and wellbeing program, reconciliation planning and initiatives, advocacy, strategic workforce planning (mental health), community planning and a range of major community projects and events.

City Growth

The City Growth Directorate is required to plan, facilitate and deliver growth of population, jobs and investment but with the added responsibility of maintaining the liveability of Warrnambool for residents and visitors. City Growth has a key role in engaging business and all tiers of government, as well as supporting regional growth in business and tourism.

The City Growth directorate provides many services including tourism development, visitor information centre, holiday parks, Flagstaff Hill Maritime Village, economic development and investment, business support, events, regional skilled migration programs (including the Great South Coast Designated Area Migration Agreement), city statutory planning and development, strategic planning to cater for new residential and commercial/industrial growth, building services, environmental health services, open space planning and graphical information support.

The directorate also has responsibility for supporting and adding value to the city's international relationships with Miura (Japan), Changchun (China), Knoxville (USA) and Mariestad (Sweden).

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

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2023					
Corporate Strategies	62,363	25,012	37,351	7,837	70,390
City Infrastructure	12,823	28,771	(15,948)	8,040	815,004
Community Development	22,652	24,908	(2,256)	10,452	718
City Growth	8,450	8,545	(95)	883	624
Total functions and activities	106,288	87,236	19,052	27,212	886,736
2022					
Corporate Strategies	58,056	24,315	33,741	6,396	49,361
City Infrastructure	8,226	18,935	(10,709)	3,473	718,243
Community Development	21,504	23,583	(2,079)	12,159	1,222
City Growth	5,507	8,015	(2,508)	610	13,193
Total functions and activities	93,293	74,848	18,445	22,638	782,019

The 2022 financials have been restated in line with an internal restructure that occurred in 2023.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Funding for the delivery of our services

	2023 \$ '000	2022 \$ '000
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3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its imputed market value.

The valuation base used to calculate general rates for 2022/23 was \$10.494 billion (2021/22: \$7.526 billion).

Residential Rates	23,251	22,435
Municipal charge	5,248	5,067
Waste management charge	7,240	6,691
Commercial rates	5,345	5,240
Vacant Land rates	1,418	1,285
Industrial rates	1,892	1,840
Urban farm rates	454	442
Cultural and recreational land rates	75	87
Interest on rates and charges	115	115
Total rates and charges	45,038	43,202

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

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

	2023 \$ '000	2022 \$ '000
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3.2 Statutory fees and fines

Town planning and building	561	752
Parking fines	716	503
Animal control	517	448
Permits and certificates	354	348
Health and Local Laws	148	188
Total statutory fees and fines	2,296	2,239

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Funding for the delivery of our services (continued)

	2023 \$ '000	2022 \$ '000
3.3 User fees		
Children's services	4,506	4,123
Foreshore holiday parks	3,523	2,622
Regulatory control	1,993	1,779
Cultural centres	2,610	1,546
Indoor aquatic centre	1,912	1,339
Tourism and promotion	1,510	1,144
Livestock exchange	511	1,138
Property management	846	806
Multi Purpose Sports Stadium	894	766
Aged services fees	690	646
Other fees and charges	440	352
Total user fees	19,435	16,261
User fees by timing of revenue recognition		
User fees recognised over time	—	—
User fees recognised at a point in time	19,435	16,261
Total user fees	19,435	16,261

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Funding for the delivery of our services (continued)

	2023 \$ '000	2022 \$ '000
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3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	11,824	9,466
State funded grants	15,388	13,172
Total grants received	27,212	22,638

(a) Operating Grants

Recurrent - Commonwealth Government

Victoria Grants Commission - Financial Assistance Grant	5,631	4,786
Victoria Grants Commission - local roads	1,044	858
Aged Services	1,890	2,076

Recurrent - State Government

Family and children	3,861	3,079
Aged services	758	542
Pension rebate	792	751
Cultural centres	737	713
School crossing supervision	236	197
Port operations	97	97
Environment initiatives	70	70
Other	252	48
Total recurrent operating grants	15,368	13,217

Non-recurrent - Commonwealth Government

Other	32	9
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Non-recurrent - State Government

Family and children	1,152	345
Economic development	612	588
Aged services	127	84
Environment initiatives	192	71
Cultural centres	154	7
Recreation	1	9
Infrastructure Services	142	151
Other	282	—
Total non-recurrent operating grants	2,694	1,264

Total operating grants

	18,062	14,481
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Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Funding for the delivery of our services (continued)

	2023 \$ '000	2022 \$ '000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	425	650
Total recurrent capital grants	425	650
Non-recurrent - Commonwealth Government		
Infrastructure services	2,802	1,087
Non-recurrent - State Government		
Other	1,360	1,396
Infrastructure services	715	860
Recreation	591	3,920
Port operations	3,257	244
Total non-recurrent capital grants	8,725	7,507
Total capital grants	9,150	8,157

(c) Recognition of grant income

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

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

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

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

The Commonwealth Government paid 100% of the Grants Commission allocation for 2023/24 in advance

	2023 \$ '000	2022 \$ '000
Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	15,028	13,037
Specific purpose grants to acquire non-financial assets	8,781	8,234
Other specific purpose grants	2,188	791
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	1,215	576
	27,212	22,638

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Funding for the delivery of our services (continued)

	2023 \$ '000	2022 \$ '000
(d) Unspent grants received on condition that they be spent in a specific manner:		
Operating		
Balance at start of year	2,274	700
Received during the financial year and remained unspent at balance date	1,488	2,272
Received in prior years and spent during the financial year	(1,764)	(698)
Balance at year end	1,998	2,274
Capital		
Balance at start of year	4,017	6,018
Received during the financial year and remained unspent at balance date	5,197	2,527
Received in prior years and spent during the financial year	(4,008)	(4,528)
Balance at year end	5,206	4,017

Unspent grants are determined and disclosed on a cash basis.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Funding for the delivery of our services (continued)

	2023 \$ '000	2022 \$ '000
3.5 Contributions		
Monetary contributions		
Monetary	3,709	1,278
Total monetary contributions	3,709	1,278
Non-monetary contributions		
Non-monetary	6,647	4,705
Total non-monetary contributions	6,647	4,705
Total contributions	10,356	5,983

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

Land	–	284
Roads	3,108	1,863
Drainage	2,174	1,857
Footpaths and cycleways	1,335	701
Land under roads	–	–
Paintings and exhibits	–	–
Parks, Open Space & Streetscape	30	–
Total non-monetary contributions	6,647	4,705

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Funding for the delivery of our services (continued)

	2023 \$ '000	2022 \$ '000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Land and buildings		
Proceeds of sale	150	—
Written down value of assets disposed	(3,995)	—
Total net gain/(loss) on disposal of land and buildings	(3,845)	—
Plant and equipment		
Proceeds of sale	485	429
Written down value of assets disposed	(266)	(289)
Total net gain/(loss) on disposal of plant and equipment	219	140
Infrastructure Assets		
Written down value of assets disposed	(608)	(14)
Total net gain/(loss) on disposal of Infrastructure Assets	(608)	(14)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(4,234)	126

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Funding for the delivery of our services (continued)

	2023 \$ '000	2022 \$ '000
3.7 Other income		
Reimbursements	193	1,630
Interest	1,217	50
Infrastructure services	115	174
Family and community	8	14
Recreation and cultural programs	2	38
Recognition of in-kind volunteer support	343	218
Other	73	618
Total other income	1,951	2,742

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 \$ '000	2022 \$ '000
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3.8 Found Assets

Found Assets were received in relation to the following asset classes

Roads	—	102
Total found assets	—	102

Found assets are recorded if they are discovered when Council completes its maintenance program. This mainly occurs with assets that are underground such as drainage and drainage pits.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 4. The cost of delivering services

	2023 \$ '000	2022 \$ '000
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4.1 Employee costs

(a) Employee costs

Wages and salaries	33,097	31,470
Superannuation	3,349	3,033
WorkCover	861	1,220
Fringe benefits tax	328	267
Total employee costs	37,635	35,990

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	184	201
	184	201

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,180	2,149
Employer contributions - other funds	985	683
	3,165	2,832
Total superannuation costs	3,349	3,033

Employer contributions payable at reporting date	297	358
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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

Infrastructure services	9,304	5,330
Corporate services	5,148	4,762
Recreation and cultural services	4,712	4,912
Waste management	4,155	3,870
Children's services	1,718	1,288
Tourism and promotion	1,672	1,594
Health and local laws	1,031	1,086
Aged services	858	850
Foreshore caravan parks	695	587
Livestock Exchange	391	474
Family day care	134	136
Office administration	—	1
Other	494	338
Total materials and services	30,312	25,228

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 4. The cost of delivering services (continued)

	2023 \$ '000	2022 \$ '000
4.3 Depreciation		
Property		
Land improvements	26	16
Buildings - specialised	2,158	2,077
Buildings - non specialised	34	37
Building improvements	23	19
Total depreciation - property	2,241	2,149
Plant and equipment		
Plant machinery and equipment	1,077	1,004
Fixtures fittings and furniture	101	98
Computers and telecomms	611	619
Library books	137	62
Total depreciation - plant and equipment	1,926	1,783
Infrastructure		
Roads	4,691	4,389
Bridges	275	386
Footpaths and cycleways	1,481	1,307
Drainage	1,033	940
Recreational, leisure and community	166	103
Waste management	41	41
Parks open spaces and streetscapes	647	608
Aerodromes	291	257
Off street car parks	350	330
Other infrastructure	233	142
Total depreciation - infrastructure	9,208	8,503
Total depreciation	13,375	12,435

Refer to note 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - Right of use assets

Property	39	51
Plant & equipment	268	231
Total Amortisation - Right of use assets	307	282

Notes to the Financial Statements

for the year ended 30 June 2023

Note 4. The cost of delivering services (continued)

	2023 \$ '000	2022 \$ '000
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4.5 Bad and doubtful debts - allowance for impairment losses

Local Laws debtors	188	24
Other debtors	24	13
Total bad and doubtful debts - allowance for impairment losses	212	37

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	880	870
New provisions recognised during the year	218	30
Amounts already provided for and written off as uncollectible	(5)	(17)
Amounts provided for but recovered during the year	(5)	(3)
Balance at end of year	1,088	880

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.

4.6 Borrowing costs

Interest - Borrowings	272	211
Total borrowing costs	272	211

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

4.7 Finance Costs - Leases

Interest - Lease Liabilities	29	35
Total finance costs	29	35

4.8 Other expenses

Councillors' allowances	358	281
Auditors' remuneration - Internal Audit	105	72
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	51	56
Recognition of in-kind volunteer support	346	221
Total other expenses	860	630

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position

	2023 \$ '000	2022 \$ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash at bank	7,747	12,790
Cash on hand	48	48
Total current cash and cash equivalents	7,795	12,838
(b) Other financial assets		
Current		
Term deposits - current	40,500	25,000
Total current other financial assets	40,500	25,000
Non-current		
Unlisted shares in corporations	2	2
Total non-current other financial assets	2	2
Total current financial assets	48,295	37,838
Total non-current financial assets	2	2

Cash and term deposits held to fund carried forward capital works.

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

	2023 \$ '000	2022 \$ '000
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	931	659
Infringement debtors	1,494	1,288
GST receivable	463	409
<i>Non-statutory receivables</i>		
Development and buildings	243	62
Animals	195	138
Child care	45	39
TAFE	62	60
Fire Service Levy	11	10
Loans and advances to community organisations	14	14
Other debtors	873	1,753
<i>Provisions for doubtful debts</i>		
Provision for doubtful debts - other debtors	(38)	(19)
Provision for doubtful debts - infringements	(1,050)	(861)
Total current trade and other receivables	3,243	3,552
Non-Current		
<i>Non-statutory receivables</i>		
Loans and advances to community organisations	–	1
Total non-current trade and other receivables	–	1
Total trade and other receivables	3,243	3,553

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

	2023 \$ '000	2022 \$ '000
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(d) Ageing of receivables

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

Current (not yet due)	707	1,702
Past due by up to 30 days	81	139
Past due between 31 and 180 days	427	65
Past due between 181 and 365 days	62	14
Past due by more than 1 year	128	138
Total trade and other receivables	1,405	2,058

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$0.04m (2022: \$0.02m) were impaired. The amount of the provision raised against these debtors was \$0.04m (2022: \$0.02m). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	4	—
Past due by up to 30 days	—	1
Past due between 31 and 180 days	15	15
Past due between 181 and 365 days	10	3
Past due by more than 1 year	9	—
Total trade and other receivables	38	19

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

	2023 \$ '000	2022 \$ '000
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5.2 Non-financial assets

(a) Inventories

Current

Inventories held for sale	125	136
Inventories held for distribution	65	66
Total current inventories	190	202

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

(b) Other assets

Current

Accrued income	2,099	1,617
Total current other assets	2,099	1,617

Prepayments

Prepayments	987	552
Total current Prepayments	987	552

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

	2023 \$ '000	2022 \$ '000
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5.3 Payables, trust funds and deposits and unearned income/revenue

(a) Trade and other payables

Current

Non-statutory payables

Accrued expenses	3,603	4,054
Trade payables	840	1,047

Statutory payables

Net GST payable	15	221
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Total current trade and other payables	4,458	5,322
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(b) Trust funds and deposits

Current

Refundable deposits	1,967	1,969
Retention amounts	59	65

Total current trust funds and deposits	2,026	2,034
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(c) Unearned income/revenue

Current

Grants received in advance:

Grants received in advance - operating	1,998	2,274
Grants received in advance - capital	5,206	4,017

Total grants received in advance	7,204	6,291
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User fees received in advance:

Other	20	—
Total user fees received in advance	20	—

Total current unearned income/revenue	7,224	6,291
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Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of which Council is yet to meet its obligations. \$3.75 million of the 2022-23 balance relates to the Coastal Connect project, which is being delivered in conjunction with Corangamite Shire and Moyne Shire councils. Unearned income are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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

Purpose and nature of items

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

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

	2023 \$ '000	2022 \$ '000
5.4 Interest-bearing liabilities		
Current		
Treasury Corporation of Victoria borrowings - secured	397	268
Other borrowings - secured	1,512	1,294
Total current interest-bearing liabilities	1,909	1,562
Non-current		
Treasury Corporation of Victoria borrowings - secured	4,639	3,746
Other borrowings - secured	3,781	5,293
Total non-current interest-bearing liabilities	8,420	9,039
Total	10,329	10,601

Borrowings are secured by Council rates

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

Not later than one year	1,909	1,561
Later than one year and not later than five years	6,665	6,625
Later than five years	1,755	2,415
	10,329	10,601

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition. At present, all Council's borrowings are classified as amortised cost.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

	Employee provisions \$ '000	Landfill restoration \$ '000	Total \$ '000
5.5 Provisions			
2023			
Balance at the beginning of the financial year	7,238	567	7,805
Additional provisions	2,992	—	2,992
Amounts used	(2,871)	(43)	(2,914)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	2	(11)	(9)
Balance at the end of the financial year	7,361	513	7,874
Provisions			
Provisions - current	6,832	81	6,913
Provisions - non-current	529	432	961
Total Provisions	7,361	513	7,874
2022			
Balance at the beginning of the financial year	7,284	652	7,936
Additional provisions	2,788	—	2,788
Amounts used	(2,816)	(62)	(2,878)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(18)	(23)	(41)
Balance at the end of the financial year	7,238	567	7,805
Provisions			
Provisions - current	6,732	81	6,813
Provisions - non-current	506	486	992
Total Provisions	7,238	567	7,805

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

	2023 \$ '000	2022 \$ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,307	2,240
Long service leave	635	661
	<u>2,942</u>	<u>2,901</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	201	261
Long service leave	3,689	3,570
	<u>3,890</u>	<u>3,831</u>
Total current employee provisions	<u>6,832</u>	<u>6,732</u>
Non-Current		
Long service leave	529	506
Total Non-Current Employee Provisions	<u>529</u>	<u>506</u>
Aggregate Carrying Amount of Employee Provisions:		
Current	6,832	6,732
Non-current	529	506
Total Aggregate Carrying Amount of Employee Provisions	<u>7,361</u>	<u>7,238</u>

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:

- on-cost rate	13.07%	12.10%
- wage inflation rate	4.35%	3.85%
- discount rate	4.06%	3.69%

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

	2023 \$ '000	2022 \$ '000
(b) Landfill restoration		
Current		
Current	81	81
Total current	81	81
Non-current		
Non-current	432	486
Total non-current	432	486

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

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- inflation rate	6.00%	5.10%
- rehabilitation years	30	30
- remaining rehabilitated years	6	7

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

	2023 \$ '000	2022 \$ '000
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5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2023.

Bank overdraft	200	200
Credit card facilities	150	150
Treasury Corporation of Victoria facilities	5,500	5,500
Total Facilities	5,850	5,850
Used facilities	5,543	4,197
Used facilities	5,543	4,197
Unused facilities	307	1,653

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2023					
Operating					
Recycling collection	1,309	1,400	3,102	—	5,811
Waste collection	2,078	2,177	4,788	—	9,043
Consultancies	538	—	—	—	538
Other	63	23	17	—	103
Food and organics collection	1,412	1,511	2,849	—	5,772
Glass collection	547	585	1,296	—	2,428
Transactional banking	63	67	148	—	278
Cleaning services	688	218	—	—	906
Security Services	232	207	—	—	439
Parking Services	50	—	—	—	50
Animal Services	169	—	—	—	169
Internal Audit	42	—	—	—	42
Meals for delivery	179	—	—	—	179
Information technology	51	—	—	—	51
Total	7,421	6,188	12,200	—	25,809
Capital					
Infrastructure	3,358	21	—	—	3,379
Total	3,358	21	—	—	3,379
2022					
Operating					
Recycling collection	1,003	1,029	2,135	—	4,167
Waste collection	1,931	1,979	4,062	—	7,972
Food and organics collection	1,334	1,367	2,838	—	5,539
Glass collection	485	497	1,031	—	2,013
Transactional banking	56	59	128	—	243
Cleaning services	747	516	164	—	1,427
Security Services	217	222	190	—	629
Parking Services	50	—	—	—	50
Animal Services	485	165	—	—	650
Internal Audit	78	40	—	—	118
Meals for delivery	167	—	—	—	167
Information technology	50	47	—	—	97
Total	6,603	5,921	10,548	—	23,072
Capital					
Infrastructure	7,511	78	21	—	7,610
Library and Learning HUB	1,650	—	—	—	1,650
Total	9,161	78	21	—	9,260

Note 5. Our financial position (continued)

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.

Under *AASB 16 Leases*, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

(a) Right-of-Use Assets

	Property \$ '000	Plant & Equipment \$ '000	Total \$ '000
2023			
Balance at 1 July	83	1,142	1,225
Additions	–	75	75
Adjustments to right-of-use assets due to re-measurement of lease liability	–	–	–
Other	(31)	30	(1)
Amortisation charge	(52)	(255)	(307)
Balance at 30 June	–	992	992
2022			
Balance at 1 July	97	1,330	1,427
Additions	36	44	80
Adjustments to right-of-use assets due to re-measurement of lease liability	–	–	–
Amortisation charge	(50)	(232)	(282)
Balance at 30 June	83	1,142	1,225

	2023 \$ '000	2022 \$ '000
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(b) Lease Liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	301	315
One to five years	778	872
More than five years	–	149

Total undiscounted lease liabilities as at 30 June: 1,079 1,336

Lease liabilities included in the Balance Sheet at 30 June:

Current	277	286
Non-current	741	963
Total lease liabilities	1,018	1,249

Short-term and low value leases

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

Expenses relating to:

Leases of low value assets	260	234
Total	260	234

Variable lease payments (not included in measurement of lease liabilities)

Variable lease payments	–	–
Total	–	–

Variable lease payments are those that depend on an index or a rate, for example payments linked to the consumer price index, a benchmark interest rate or changes in market rental rates.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Our financial position (continued)

	2023 \$ '000	2022 \$ '000
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Non-cancellable lease commitments - Short-term and low-value leases

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

Payable:

Within one year	248	254
Later than one year but not later than five years	332	536
Total lease commitments	580	790

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2022 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Depreciation \$ '000	Disposal \$ '000	Write-off \$ '000	Transfers \$ '000	Carrying amount 30 June 2023 \$ '000
Property	290,199	80	–	51,679	(2,241)	(3,969)	–	8,366	344,114
Plant and equipment	21,779	1,657	–	–	(1,926)	(263)	–	95	21,342
Infrastructure	401,328	5,423	6,647	34,361	(9,208)	(629)	–	10,118	448,040
Work in progress	23,728	12,863	–	–	–	–	(580)	(18,579)	17,432
Total	737,034	20,023	6,647	86,040	(13,375)	(4,861)	(580)	–	830,928

Summary of Work in Progress

	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	3,082	3,750	(134)	(1,570)	5,128
Plant and equipment	299	479	(24)	(96)	658
Infrastructure	20,347	8,634	(422)	(16,912)	11,647
Total	23,728	12,863	(580)	(18,578)	17,433

Notes to the Financial Statements

for the year ended 30 June 2023

	Land specialised \$ '000	Land and non specialised \$ '000	Land improve-ments \$ '000	Total land and land improve-ments \$ '000	Buildings specialised \$ '000	Buildings non specialised \$ '000	Building improve-ments \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
Property										
At fair value 1 July 2022	160,694	2,689	996	164,379	137,611	2,839	866	141,316	3,082	308,777
Accumulated depreciation at 1 July 2022	—	—	(439)	(439)	(14,632)	(302)	(126)	(15,060)	—	(15,499)
	160,694	2,689	557	163,940	122,979	2,537	740	126,256	3,082	293,278
Movements in fair value										
Additions	—	—	62	62	—	18	—	18	3,750	3,830
Contributions and Found Assets	—	—	—	—	—	—	—	—	—	—
Revaluation	50,860	819	—	51,679	—	—	—	—	—	51,679
Disposal	—	(1,608)	(6)	(1,614)	(1,090)	(1,600)	(5)	(2,695)	—	(4,309)
Write-off	—	—	—	—	—	—	—	—	(134)	(134)
Transfers	486	—	—	486	7,880	—	—	7,880	(1,570)	6,796
Write-off	—	—	—	—	—	—	—	—	—	—
	51,346	(789)	56	50,613	6,790	(1,582)	(5)	5,203	2,046	57,862
Movements in accumulated depreciation										
Depreciation and amortisation	—	—	(26)	(26)	(2,158)	(34)	(23)	(2,215)	—	(2,241)
Accumulated depreciation of disposals	—	—	1	1	118	216	5	339	—	340
Revaluation	—	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
	—	—	(25)	(25)	(2,040)	182	(18)	(1,876)	—	(1,901)
At fair value 30 June 2023	212,039	1,900	1,053	214,992	144,401	1,257	861	146,519	5,128	366,639
Accumulated depreciation at 30 June 2023	—	—	(463)	(463)	(16,671)	(120)	(143)	(16,934)	—	(17,397)
Carrying amount	212,039	1,900	590	214,529	127,730	1,137	718	129,585	5,128	349,242

Notes to the Financial Statements for the year ended 30 June 2023

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Library books \$ '000	Paintings and exhibits \$ '000	Total \$ '000	Work in progress \$ '000	Total plant and equipment \$ '000
Plant and Equipment								
At fair value 1 July 2022	10,781	5,787	7,300	382	13,193	37,443	299	37,742
Accumulated depreciation at 1 July 2022	(6,628)	(4,835)	(4,143)	(62)	–	(15,668)	–	(15,668)
	4,153	952	3,157	320	13,193	21,775	299	22,074
Movements in fair value								
Additions	1,032	–	34	591	–	1,657	479	2,136
Contributions and Found Assets	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–
Disposal	(656)	–	(89)	(139)	–	(884)	–	(884)
Write-off	–	–	–	–	–	–	(24)	(24)
Transfers	–	–	28	–	67	95	(96)	(1)
Write-off	–	–	–	–	–	–	–	–
	376	–	(27)	452	67	868	359	1,227
Movements in accumulated depreciation								
Depreciation and amortisation	(1,077)	(101)	(611)	(137)	–	(1,926)	–	(1,926)
Accumulated depreciation of disposals	619	–	2	–	–	621	–	621
Transfers	–	–	–	–	–	–	–	–
	(458)	(101)	(609)	(137)	–	(1,305)	–	(1,305)
At fair value 30 June 2023	11,157	5,787	7,274	834	13,260	38,312	659	38,971
Accumulated depreciation at 30 June 2023	(7,085)	(4,935)	(4,752)	(199)	–	(16,971)	–	(16,971)
Carrying amount	4,072	852	2,522	635	13,260	21,341	659	22,000

Notes to the Financial Statements

for the year ended 30 June 2023

Infrastructure													
	Roads \$ '000	Bridges \$ '000	Foot- paths and cycle- ways \$ '000	Drainage \$ '000	Recreati- on, leisure, communi- ty \$ '000	Waste manage- ment \$ '000	Parks, open spaces, streetsca- pes \$ '000	Aerodro- mes \$ '000	Off street car parks \$ '000	Other infra- structure \$ '000	Total \$ '000	Work in progress \$ '000	Total infra- structure \$ '000
At fair value 1 July 2022	287,067	24,754	78,664	110,140	7,032	606	16,261	9,263	14,844	8,886	557,517	20,347	577,864
Accumulated depreciation at 1 July 2022	(57,853)	(8,663)	(46,532)	(21,322)	(4,366)	(131)	(6,589)	(1,100)	(4,942)	(4,688)	(156,186)	–	(156,186)
	229,214	16,091	32,132	88,818	2,666	475	9,672	8,163	9,902	4,198	401,331	20,347	421,678
Movements in fair value													
Additions	–	970	1,152	310	458	–	–	478	–	2,055	5,423	8,634	14,057
Contributions and Found Assets	3,107	–	1,335	2,175	–	–	30	–	–	–	6,647	–	6,647
Revaluation	22,980	1,656	1,412	(10)	–	–	–	–	–	–	26,038	–	26,038
Disposal	(83)	(1,360)	(9)	(23)	(30)	–	(206)	–	(117)	–	(1,828)	–	(1,828)
Write-off	–	–	–	–	–	–	–	–	–	–	–	(422)	(422)
Transfers	1,188	2,730	348	92	2,503	–	3,254	–	–	2	10,117	(16,913)	(6,796)
	27,192	3,996	4,238	2,544	2,931	–	3,078	478	(117)	2,057	46,397	(8,701)	37,696
Movements in accumulated depreciation													
Depreciation and amortisation	(4,691)	(275)	(1,481)	(1,033)	(166)	(41)	(647)	(291)	(350)	(233)	(9,208)	–	(9,208)
Accumulated depreciation of disposals	53	887	5	11	2	–	173	–	60	–	1,191	–	1,191
Revaluations	6,136	(568)	3,372	(1)	–	–	–	–	(617)	–	8,322	–	8,322
Transfers	–	–	–	–	–	–	–	–	–	–	–	–	–
	1,498	44	1,896	(1,023)	(164)	(41)	(474)	(291)	(907)	(233)	305	–	305
At fair value 30 June 2023	314,260	28,750	82,902	112,685	9,963	606	19,339	9,725	14,727	10,945	603,902	11,647	615,549
Accumulated depreciation at 30 June 2023	(56,354)	(8,618)	(44,636)	(22,345)	(4,529)	(172)	(7,064)	(1,375)	(5,849)	(4,921)	(155,863)	–	(155,863)
Carrying amount	257,906	20,132	38,266	90,340	5,434	434	12,275	8,350	8,878	6,024	448,039	11,647	459,686

Notes to the Financial Statements

for the year ended 30 June 2023

Note 6. Assets we manage (continued)

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.

Asset recognition thresholds and depreciation periods

	Depreciation Period years	Threshold Limit \$ '000
Land and land improvements		
land	n/a	–
land improvements	10 - 200 years	5
Buildings		
buildings	20 - 150 years	5
building improvements	25 - 60 years	1
leasehold improvements	10 - 20 years	1
Plant and Equipment		
plant, machinery and equipment	3 - 40 years	1
fixtures, fittings and furniture	2 - 25 years	5
computers and telecommunications	5 - 30 years	2
paintings and exhibits	n/a	–
Infrastructure		
roads	16 - 80 years	5
bridges	30 - 200 years	5
footpaths and cycleways	10 - 80 years	5
drainage	20 - 200 years	1
recreational, leisure and community facilities	20 - 80 years	1
off street car parks	16 - 60 years	5
parks, open spaces and streetscapes	15 - 80 years	5
aerodromes	16 - 80 years	1
other infrastructure	20 - 80 years	5

Land under roads

Council recognises land under roads it controls at fair value from 1 January 2008.

Depreciation and amortisation

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

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 6. Assets we manage (continued)

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

Land- Non Specialised

Valuation of non-specialised land was undertaken by Mr T Gleeson, Senior Valuer in 2023. The valuation of land 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.

Land - Specialised

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.

Buildings - Non-specialised

Non-specialised buildings were reviewed in 2022 by Mr Sam Ortisi (Graduate Diploma - Electrical Engineering and Quality Management) from CT Management who reviewed the unit rates used in the valuation process. It should be noted that non-specialised buildings are fair value hierarchy 2 due to the available market for this type of asset.

Buildings - Specialised

The current valuation of specialised buildings is based on an independent assessment by a qualified Quantity Surveyor, component level condition assessments, and on current replacement costs. The valuation was conducted by Mr Sam Ortisi (Graduate Diploma - Electrical Engineering and Quality Management) from CT Management who was engaged by Warrnambool City Council in 2022. The details of the current valuation are detailed in the table below.

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:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Land - non specialised	—	1,900	—	Jun-23	Independent
Land - specialised	—	—	212,040	Jun-23	Independent
Land improvements	—	—	590	Jun-21	Independent
Buildings - non-specialised	—	1,137	—	Jun-22	Independent
Buildings - specialised	—	—	127,730	Jun-22	Independent
Building improvements	—	—	718	Jun-22	Independent
Total	—	3,037	341,078		

Valuation of Infrastructure

Valuation of infrastructure assets was performed by internal professional staff, and independent assessments by qualified external subject matter experts whom have all been approved by Mr. David Leahy, Director City Infrastructure with Warrnambool City Council. The date of the current assessment is 30 June 2023.

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:

Notes to the Financial Statements

for the year ended 30 June 2023

Note 6. Assets we manage (continued)

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Roads	—	—	257,907	Jun-23	Independent
Bridges	—	—	20,132	Jun-23	Independent
Footpaths and cycleways	—	—	38,266	Jun-23	Independent
Drainage	—	—	90,341	Jun-23	Independent
Recreational, leisure & community facilities	—	—	5,436	Jun-22	Independent
Waste management	—	—	434	Jun-19	Independent
Parks, open space & streetscapes	—	—	12,277	Jun-22	Independent
Aerodromes	—	—	8,350	Jun-22	Independent
Off street car parks	—	—	8,878	Jun-22	Independent
Other	—	—	6,024	Jun-22	Independent
Total	—	—	448,045		

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 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$27.23 and \$32.84 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 is calculated on a square metre basis and ranges from \$1,522 to \$6,955 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

Reconciliation of specialised land

	2023 \$ '000	2022 \$ '000
Land under roads	5,506	5,506
Crown land	75,144	75,144
Council freehold land	131,390	80,044
Total specialised land	212,040	160,694

Notes to the Financial Statements

for the year ended 30 June 2023

Note 6. Assets we manage (continued)

	2023 \$ '000	2022 \$ '000
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6.2 Investments in associates, joint arrangements and subsidiaries

(a) Investments in associates

Council does not have any investments in associates, joint arrangements or subsidiaries.

(b) Committees of management

Committees of management

Port of Warrnambool

The Council is the Committee of Management for the Port of Warrnambool. The financial transactions have been included in Council's financial statements and are summarised below:

Summarised Statement of Comprehensive Income

Income

Grants - operating	97	97
User fees	6	6
Grants - capital	1,750	1,297

Expenditure

Materials and Services	(103)	(226)
Capital expenditure	(3,187)	(160)

Surplus/(Deficit) for the Year

(1,437)	1,014
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The operation of the Port of Warrnambool is by an agreement between Warrnambool City Council and the Department of Transport. Any assets are returnable on cessation of the agreement.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Warrnambool City Council is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.2.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors	Councillor Debbie Arnott (Deputy Mayor 01/07/2022 - 23/10/2022; Mayor 24/10/2022 - 30/06/2023) Councillor Max Taylor (Deputy Mayor 01/07/2022 - 30/06/2023) Councillor Vicki Jellie (Mayor 01/07/2022 - 23/10/2022) Councillor Richard Ziegeler Councillor Otha Akoch Councillor Angie Paspaliaris Councillor Ben Blain
Chief Executive Officer	Mr Andrew Mason (appointed 20/02/2023) Mr David Leahy (acting CEO 13/01/2023 - 19/02/2023) Mr Peter Schnieder (01/07/2022 - 12/01/2023)
Key Management Personnel	Director - Corporate Strategies Mr Peter Utri Director - City Infrastructure Mr David Leahy Director - City Growth Mr Andrew Paton 01/07/2022 - 03/12/2022, Mr Luke Coughlan (acting 04/12/2022 - 30/06/2023) Director - Community Development Ms Jodie McNamara (acting 01/07/2022 - 26/08/2022), Ms Ingrid Bishop (12/09/2022 - 30/06/2023)

	2023 No.	2022 No.
Total Number of Councillors	7	7
Total of Chief Executive Officer and other Key Management Personnel	8	6
Total Number of Key Management Personnel	15	13

Notes to the Financial Statements

for the year ended 30 June 2023

Note 7. People and relationships (continued)

(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 \$ '000	2022 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,436	1,287
Other long-term employee benefits	26	25
Post-employment benefits	113	94
Termination benefits	25	—
Total	1,600	1,406

	2023 No.	2022 No.
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The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

\$10,000 - \$19,999	—	2
\$20,000 - \$29,999	1	3
\$30,000 - \$39,999	5	—
\$40,000 - \$49,999	—	1
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	—	1
\$70,000 - \$79,999	1	—
\$90,000 - \$99,999	1	—
\$120,000 - \$129,999	1	—
\$130,000 - \$139,999	—	1
\$190,000 - \$199,999	1	—
\$200,000 - \$209,999	2	—
\$210,000 - \$219,999	1	1
\$220,000 - \$229,999	—	2
\$230,000 - \$239,999	1	—
\$320,000 - \$329,999	—	1
	15	13

Notes to the Financial Statements

for the year ended 30 June 2023

Note 7. People and relationships (continued)

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 and who report directly to a member of the KMP. *

Total remuneration of other senior staff was as follows:

	2023 \$ '000	2022 \$ '000
Short-term employee benefits	—	473
Other long-term employee benefits	—	12
Post-employment benefits	—	44
Termination benefits	—	—
Total	—	529

The number of other senior staff are shown below in their relevant income bands:

	2023 No.	2022 No.
Income Range:		
\$150,000 - \$159,999	—	1
\$170,000 - \$179,999	—	1
\$200,000 - \$209,999	—	1
	—	3

	2023 \$ '000	2022 \$ '000
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Total Remuneration for the reporting year for Senior Officers included above amounted to:

— 529

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the Local Government Act 1989.



Notes to the Financial Statements

for the year ended 30 June 2023

Note 7. People and relationships (continued)

7.2 Related party disclosure

(a) Transactions with related parties

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

Councillor	Related Party	Nature of Relationship	Terms and Conditions	Nature of Transaction	Aggregate Total \$'000
Cr Taylor	Taylor's Surfodesy	Controlled entity	Commercial	Voucher	0.05
Cr Paspaliaris	Alex Pye Electrics	Spouse controlled entity	Commercial	Electrical repairs and maintenance	24.2

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

2023 - Nil (2022 - Nil)

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party as follows:

2023 - Nil (2022 - Nil)

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

2023 - Nil (2022 - Nil)

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.

Construction of infrastructure assets by developers in the course of creating new subdivisions results in the infrastructure assets being vested in Council when Council issues a Statement of Compliance.

At reporting date, developers had commenced construction of assets that will eventually be transferred to Council contingent upon council issuing a Statement of Compliance.

Due to the nature of the arrangements in place and the assets involved, a contingent asset amount cannot be reliably measured prior to completion.

(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.

Liability Mutual Insurance

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

MAV Workcare

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

Gallagher Bassett is a direct provider appointed by WorkSafe Victoria to provide workers compensation insurance and have been appointed as Council's agent since the closure of the MAV WorkCare Scheme.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 8. Managing uncertainties (continued)

(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.

The Council acts as guarantor in respect of bank loans provided to the following clubs and community groups:

Entity and Institution	Original Loan \$'000	Balance of borrowings 2023 \$'000	2022 \$'000
Warrnambool Returned Services Club -Commonwealth Bank	3,351	2,236	2,176
Warrnambool Football Netball Club - Commonwealth Bank	800	474	556
Old Collegians Football Netball Club - NAB	100	86	90
Dennington Football Netball Club - Bendigo Bank	49	31	35
Dennington Bowls Club -Bendigo Bank (discharged)	100	0	8

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 2023 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. 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*.

Note 8. Managing uncertainties (continued)

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 has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests 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 provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

Note 8. Managing uncertainties (continued)

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

(e) Sensitivity disclosure analysis

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

- A shift of + 1 % and - 1 % in market interest rates (AUD) from year-end rates of 4.10%.

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

8.4 Fair value measurement

Fair Value Hierarchy

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

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

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

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

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

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

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

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

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 ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

At each reporting date, 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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 8. Managing uncertainties (continued)

carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

The South West Livestock Exchange ceased operating as a saleyard during the 2022-23 financial year. Council is undertaking a review of the site and is expected to decommission a large portion of assets in the 2023-24 financial year. Potential revenue from the sale of decommissioned assets has not been determined as at the 30th June 2023.



Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increment (decrement) \$ '000	Share of incr. (decr) on revaluation of the asset through disposal of investment \$ '000	Balance at end of reporting period \$ '000
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9.1 Reserves

(a) Asset revaluation reserves

2023

Property

Land - specialised	—	50,860	—	50,860
Land	124,251	819	—	125,070
Buildings	94,689	—	—	94,689
	218,940	51,679	—	270,619

Plant and equipment

Artworks	2,640	—	—	2,640
	2,640	—	—	2,640

Infrastructure

Roads	171,768	29,115	—	200,883
Bridges	9,403	1,088	—	10,491
Footpaths and cycleways	—	4,784	—	4,784
Drainage	39,758	(11)	—	39,747
Aerodromes	733	—	—	733
Offstreet car parks	553	(617)	—	(64)
Other infrastructure	25,661	—	—	25,661
	247,876	34,359	—	282,235

Total asset revaluation reserves

	469,456	86,038	—	555,494
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Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Increment (decrement) \$ '000	Share of incr. (decr) on revaluation of the asset through disposal of investment \$ '000	Balance at end of reporting period \$ '000
2022				
Property				
Land	124,251	—	—	124,251
Buildings	92,113	2,576	—	94,689
	216,364	2,576	—	218,940
Plant and equipment				
Artworks	2,640	—	—	2,640
	2,640	—	—	2,640
Infrastructure				
Roads	99,350	72,418	—	171,768
Bridges	15,346	(5,943)	—	9,403
Footpaths and cycleways	677	(677)	—	—
Drainage	21,218	18,540	—	39,758
Aerodromes	238	495	—	733
Offstreet car parks	—	553	—	553
Other infrastructure	29,041	(3,380)	—	25,661
	165,870	82,006	—	247,876
Total asset revaluation reserves	384,874	84,582	—	469,456

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2023				
Main drainage fund	399	—	(210)	189
Committed reserve	11,091	7,383	—	18,474
Heritage restoration fund	46	2	—	48
Insurance claims reserve	90	—	—	90
Art gallery reserve	48	1	—	49
Resort and recreation reserve	261	289	—	550
Car park fund	485	—	(40)	445
North of the Merri developer contribution reserve	1,170	—	(259)	911
Hopkins Point Road developer contribution reserve	248	124	—	372
North East growth area developer contribution reserve	164	877	—	1,041
Small infrastructure fund	—	595	—	595
Horne Road developer contribution reserve	—	803	—	803
Total Other reserves	14,002	10,074	(509)	23,567
2022				
Main drainage fund	886	—	(487)	399
Committed reserve	8,556	2,535	—	11,091
Heritage restoration fund	45	1	—	46
Insurance claims reserve	90	—	—	90
Art gallery reserve	47	1	—	48
Resort and recreation reserve	190	71	—	261
Car park fund	617	—	(132)	485
North of the Merri developer contribution reserve	1,113	57	—	1,170
Hopkins Point Road developer contribution reserve	140	108	—	248
North East growth area developer contribution reserve	156	8	—	164
Small infrastructure fund	—	—	—	—
Horne Road developer contribution reserve	—	—	—	—
Total Other reserves	11,840	2,781	(619)	14,002

Main Drainage Fund is maintained specifically for future major drainage works.
 Committed Reserve is specifically for future works and Council's small infrastructure fund.
 Heritage Restoration Fund is maintained specifically for grant loans for heritage works.
 Insurance Claims Reserve is maintained specifically for Council's self-insurance.
 Information Technology Reserve is maintained specifically for major information technology upgrades.
 Art Gallery Reserve is maintained specifically for the purchase of art pieces.
 Resort and Recreation Reserve is maintained specifically for public open space works.
 Car Park Fund is maintained specifically for future major car park works.
 North of the Merri Developer Contributions Reserve is maintained specifically for contributions held in this growth area.
 Hopkins Point Road Developer Contributions Reserve is maintained specifically for contributions held in this growth area.
 Northeast Developer Contributions Reserve is maintained specifically for contributions held for this growth area.
 Small Infrastructure Fund is maintained specifically for Council's small infrastructure grant program.
 Horne Road Developer Contributions Reserve is maintained specifically for contributions held for the Horne Road Industrial Estate.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Other matters (continued)

	2023 \$ '000	2022 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	19,052	18,445
Add / (deduct) non-cash items:		
Depreciation/amortisation	13,682	12,717
Profit/(loss) on disposal of property, infrastructure, plant and equipment	4,234	(126)
Contributions - Non-monetary assets	(6,647)	(4,705)
Found assets	—	(102)
Prior year WIP written off	580	—
Bad and doubtful debts expense	212	37
Interest on lease liabilities	29	35
Prior year periodical collections written off	—	48
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	98	(662)
(Increase)/decrease in inventories	12	(27)
(Increase)/decrease in prepayments	(435)	273
Increase/(decrease) in accrued income	(482)	(1,256)
Increase/(decrease) in trade and other payables	(867)	659
Increase/(decrease) in provisions	69	(131)
Increase/(decrease) in trust deposits	(8)	340
Increase/(decrease) in Unearned income /revenue	933	(427)
Net cash provided by/(used in) operating activities	30,462	25,118

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 the Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding Arrangements

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Other matters (continued)

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 2022, 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 102.2%. 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 3.5% pa thereafter
Price inflation (CPI) 3.00% pa.

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). Vision Super has advised that the 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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Other matters (continued)

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

	2022 (Interim) \$m	2021 (Interim) \$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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2022.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2022.

The discounted accrued benefits surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2022.

The 2023 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2023. It is anticipated that this actuarial investigation will be completed by 31 December 2023. The financial assumptions for the purposes of this investigation are:

	2023 Triennial investigation	2020 Triennial investigation
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.50% pa	2.5% pa For the first two years and 2.75% pa thereafter
Price inflation	2.8% pa	2.0% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2023 are detailed below:

Scheme	Type of scheme	Rate	2023 \$ '000	2022 \$ '000
Vision Super	Defined benefit	10.5% (2022:10.0%)	184	201
Vision Super	Accumulation fund	10.5% (2022:10.0%)	2,180	2,149
Other Funds	Accumulation fund	10.5% (2022:10.0%)	985	683

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$0 during the 2022/23 year (2021/22 \$0).

There were \$297k contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$175k.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Changes in accounting policies

There have been no changes to accounting policies in the 2022-23 year.

Notes to the Financial Statements

for the year ended 30 June 2023



