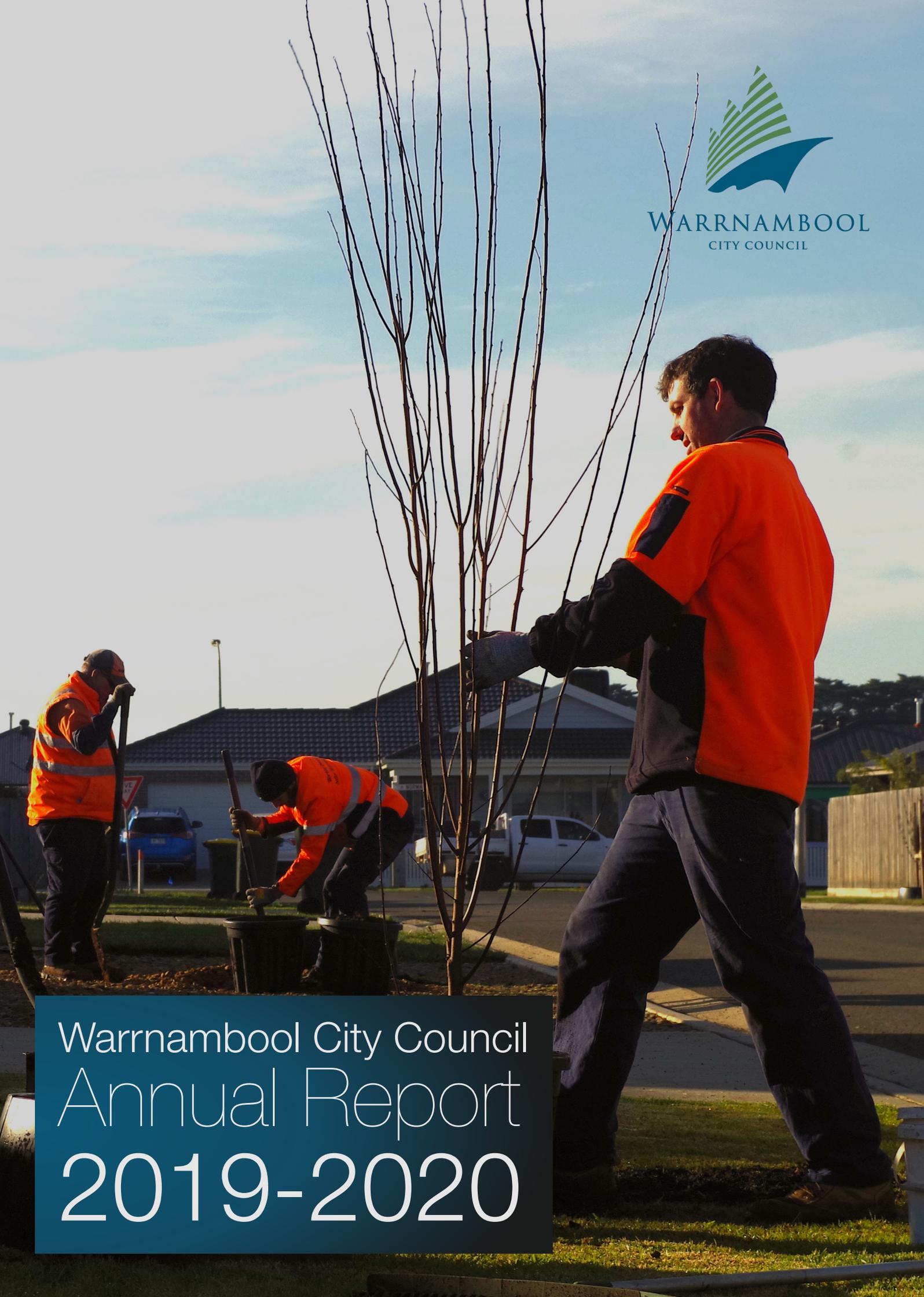




WARRNAMBOOL
CITY COUNCIL



Warrnambool City Council
Annual Report
2019-2020



WARRNAMBOOL

CITY COUNCIL

Welcome.

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

The Report of Operations 2019-2020 is the primary means of advising the Warrnambool community about council's operations and performance during the financial year.

Warrnambool City Council acknowledges the Traditional Owners of the land on which the municipality is situated and pays respects to Elders past and present.

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Guiding our actions

Council activities are guided by key strategic documents.

These include the four-year Council Plan, developed by Councillors and adopted within six months of a Local Government election.

The Council Plan, which is revised annually, also acknowledges the goals of the long-term community plan, Warrnambool 2040 (W2040).

Council, in partnership with the community, developed W2040 over 2017 and 2018.

A long-term community plan, or vision, is now a requirement under the new Local Government Act 2020. The Council Plan aligns with the goals of W2040.

The icons beside the Council Plan objectives and the W2040 visions below will appear throughout this report to provide readers with an insight into the strategic origins of Council's actions and initiatives.

Council vision and objectives

Warrnambool City Council's vision is to be a Cosmopolitan City by the Sea.

Council's theme is to build pride and confidence in the city.

The five objectives identified in the Council Plan for are

1. Sustain, enhance and protect the natural environment



2. Foster a healthy, welcoming city that is socially and culturally rich



3. Maintain and improve the physical places and visual appeal of the city



4. Develop a modern economy with diverse and sustainable employment



5. Practice good governance through openness and accountability while balancing aspirations with sound financial management



Warrnambool 2040 - the long-term community plan

W2040 has four key visions, these are:

1. People. Warrnambool will be a city where all people thrive.



2. Economy. Warrnambool will be Australia's most resilient and thriving regional economy.



3. Place. Warrnambool will be Australia's most liveable regional city.



4. Environment. Warrnambool will be Australia's most sustainable city



Our organisational values

In 2018 the following organisational values were adopted to guide staff.

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 to 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 all employees to flourish for the benefit of themselves and the organisation.





The Warrnambool municipality

The Warrnambool City Council municipality covers 120sqkm in Victoria's South West and is about 260km from the state's capital, Melbourne.

The Warrnambool municipality includes the city of Warrnambool and the towns of Allansford, Woodford and Bushfield.

The city has an estimated residential population of more than 35,000 and based on Victorian Government projections, is forecast grow by a further 5,000-plus people by 2036. By 2036 the Victorian Government predicts the concentration of growth across the South West will continue to occur in Warrnambool with moderate growth in adjoining Moyne Shire.

As with other regional cities, Warrnambool has an ageing community. One in five residents are aged under 15 years (a proportion which is decreasing) and one in five residents are aged over 65 years (a proportion which is increasing).

Warrnambool's median age is 40 compared to the regional Victorian median age of 43 and the Australian median age of 38.

About 75 per cent of Warrnambool's annual net population growth comes from migration – domestic (particularly other Great South Coast municipalities and Melbourne) and overseas. Babies born in the city represent 25 per cent of our population growth.

Domestic migration comprises mostly young families (35-44 years) and those who have retired or are reaching retirement age (55 years and over).

Warrnambool is home to people from 33 countries. More recently the growth in Asian nationalities, including Chinese, Taiwanese, South Korean and Thai born residents has been the most significant from 2011-2016.

At the 2016 census, 2,731 people living in Warrnambool were born overseas. Of these, one in four arrived in Australia in the five years leading to Census 2016.

Of the total population, four per cent speak a language other than English at home – a significant increase of 526 people between 2011-2016.

The number of residents who identified as Aboriginal or Torres Strait Islander in the Census (2011-2016) increased by 10% from 495 to 556.

Of the 15,724 people working in Warrnambool at the 2016 census, 12,738 live in Warrnambool, 2,337 live in the Moyne Shire and 302 live in the Corangamite Shire.

Total private dwellings numbered 15,188 at the 2016 census with an average household size of 2.36.

The SEIFA Index of Disadvantage for Warrnambool was 986. SEIFA is a suite of four indexes that have been created from social and economic Census information: the Index of Relative Socio-economic Disadvantage, Index of Relative Socio-economic Advantage and Disadvantage, Index of Economic Resources and the Index of Education and Occupation.

Warrnambool's score places it midway on the index for Victorian municipalities.

Over 2019-2020 the value of building approval in Warrnambool totalled \$122.1 million, comprising \$88.7 million in residential construction and \$33.1 million in non-residential construction.

Population: estimated at 35,181, up from 33,649 on Census night 2016. (Source: ABS, 2019)

Rateable properties: 17,256

Pathways: 328km total length

Sealed roads: 300km

Unsealed roads: 34km

Council drains: 267km

Drainage pits: 11,000

Three major stormwater tunnels along Japan, Simpson and Fairy streets.

Warrnambool - demographic profile

	Median age	Aboriginal and Torres Strait Islander population	Medium and high density housing
Warrnambool	40	1.7%	19.6%
Regional Victoria	43	1.6%	10%
Victoria	37	0.8%	27%
Australia	37	2.8%	27%

	Median weekly household income	Median weekly mortgage repayment	Median weekly rent
Warrnambool	\$1,180	\$331	\$258
Regional Victoria	\$1,124	\$309	\$238
Victoria	\$1,416	\$391	\$330
Australia	\$1,431	\$409	\$339

	Households renting	Households fully owned or with mortgage	Overseas born
Warrnambool	23.5%	61.3%	8.1%
Regional Victoria	19.8%	66.9%	11%
Victoria	24.3%	64.2%	28.3%
Australia	24.9%	62%	26.3%

	Language other than English at home	University attendance	University qualification
Warrnambool	4.2%	3%	16%
Regional Victoria	6%	3%	15%
Victoria	25.9%	5%	24%
Australia	20.8%	5%	22%

	Trade qualification	Public transport to work	SEIFA index of disadvantage
Warrnambool	21%	1%	986
Regional Victoria	22%	2%	977
Victoria	17%	12%	1010
Australia	19%	19%	1002

Council assets

Council owns/manages 350 buildings including:

- Lighthouse Theatre,
- AquaZone,
- Warrnambool Stadium,
- Warrnambool Art Gallery,
- Warrnambool Civic Centre,
- Archie Graham Community Centre,
- Proudfoots and numerous recreational facilities,
- Public toilets,
- Council houses,
- Offices.
- Parks and gardens

Council is responsible for managing 400ha of open space including 250 parks, gardens, playgrounds and sportsgrounds, foreshore and reserves.

Warrnambool Regional Airport

The 152ha airport supports emergency services including Victoria Police, a fixed wing ambulance and CFA.

It records 30 to 35 aircraft movements a day.

School crossings

Warrnambool has 32 school crossings used by about 5,000 children who are supervised by a team of about 40 crossing supervisors.



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A new welcome on the east side

Motorists approaching Warrnambool are now greeted by new entrance signage.



Four separate panels showcase iconic Warrnambool imagery including a whale, penguins, a maremma dog, Norfolk Island pines and the city's skyline.



In November 2018 four concept designs for a new city entrance sign were presented to the community for feedback. More than 200 people had their say, which helped to determine the preferred concept to base the new signage on while taking on board feedback for alterations.

An important component of the artwork for the signage panels was the integration of Gunditjmarra language phrases developed in collaboration with Dr Vicki Couzens, Gunditjmarra Language Custodian and Chairperson at Victorian Aboriginal Corporation for Languages.



The sign was manufactured by specialist gateway entrance signage company Danthonia Design Pty and installed by local contractor BDH Constructions Pty Ltd.

The total project cost was approximately \$120,000.

Unleashed! Dog park opens with a bark

The new Warrnambool Community Dog Park was opened in July.



The enclosed dog exercise area in Victoria Park encourages owners and their dogs to get out and get active in a sociable and safe environment.

The dog park is fully fenced, with a double gate system for entering and exiting the enclosure.

It also features a FOGO bin and compostable bags for dog poo.

The total construction costs were \$55,000 and included



provision of a drinking fountain, dog bowl and tap.

The project provides scope to be further developed with exercise equipment, seating and other improvements.

The dog park entrance includes a sign which sets out the rules to ensure that dogs and their owners are able to happily share the space.

Restoring the Cannon Hill view

The community had asked for the view from Cannon Hill to be restored, this was achieved with the removal of small copse of Casuarina trees.



The trees will be replaced with several species of low-growing native shrubs, including the endemic Granny's Grave correa.



Cannon Hill provides one of our city's great views across Lake Pertobe created by an earlier generation across to the sea and Breakwater.



The view is enjoyed by many residents and by visitors to Warrnambool.

Over recent years there have been ongoing native plantings on Cannon Hill and Council has also removed a number of cypress trees to help maintain the view and to tip the balance towards native plants being the dominant vegetation type in the area.

Capturing Wild Warrnambool – a new quest

An exciting game for local citizen scientists was launched

in August: the Wild Warrnambool Bioquest.

Wild Warrnambool Bioquest provided participants with an opportunity to photograph and document native plants and animals in and around Warrnambool.



Council collaborated with nature mapping game, QuestaGame to deliver the Wild Warrnambool Bioquest.

Participants were required to download the free QuestaGame app, sign up and start submitting wildlife photographs to the Wild Warrnambool Bioquest.



The aim was to develop an understanding of the wildlife living close to home, to raise awareness and appreciation of our wildlife while contributing to a broader understanding of Australia's wildlife.

Players could choose to share their information with national and global biodiversity databases for scientific research including the Atlas of Living Australia, a free online atlas hosted by the CSIRO.

Major milestone as design firm appointed for Reid Oval Redevelopment

In September Brand Architects were appointed to design the \$11 million Reid Oval Redevelopment,

The Melbourne-based practice has a long track record of designing innovative and highly functional buildings, including a number of modern sporting facilities.

Current and previous projects include the Western Oval redevelopment in Geelong, MacPherson Park redevelopment in Melton, the Caroline Springs Stadium and Tennis Facility and Darebin Stadium.

Reid Oval Project Control Group Chair Cr Sue Cassidy said that the appointment of the design team was a major milestone.

"With the design team now confirmed, we can begin the process of determining specifics about the new and improved infrastructure at Reid Oval," she said.

"User groups have made it very clear that they want to see an upgraded Reid Oval, and Council is committed to working with them to do the job once and do it right."



The redevelopment will see the Reid Oval playing surface upgraded to a regional standard for AFL and cricket, better lighting, modern player and umpire facilities that cater equally for male and female players and umpires, improved spectator amenities and better cricket training facilities.

The Reid Oval Redevelopment is supported by the Victorian Government.

Sowing the seeds of community connections in West Warrnambool

In September the West Warrnambool Neighbourhood House became home to a new public garden thanks to a team of industrious Brauer College students.



The Year 12 VCAL students built and installed the garden beds themselves, purchasing materials with \$775 sourced via an online fundraiser.

Student Adriana Johnstone said that the garden beds were deliberately placed on the verge of the Beamish Street facility to make them as visible and accessible as possible to residents.

"The idea was to build some community garden beds for people to come and go as they please and maybe plant a few plants and water them. Things to keep them in contact with the earth and each other," she said.

"We've been working on it for about two terms. We built all of the garden beds plus a bench from scratch, painted them at school, then we've transferred them to the community house and installed them.

"We are so proud of what we have accomplished. To end our schooling with this project is just amazing."

Making the most of the Merri River

Council called for community views on a section of the Merri River and its surrounding parks and reserves.



The precinct includes all public land and parklands adjoining the south side of the Merri River between Wollaston Road and Manuka Drive.

The work is related to the long-term community plan, Warrnambool 2040, and Warrnambool City Council's sustainability plan, Green Warrnambool.



Both plans identify a goal for the Merri River corridor to become a "connected series of parklands that support active transport, nature-based recreation and wildlife movement" by 2040.



The precinct to the south of the Merri River also has an underdeveloped connection between future trails north of the Merri and the current Russell's Creek Walking Trail.

The feedback from the community will inform a South of Merri Open Space Precinct Plan.

The plan will set the direction for how this strategically important open space corridor should develop in the future.

Warrnambool tops national liveability ranking

In 2019 Warrnambool and Victoria's South West were

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declared the most liveable region in Australia by global research and consulting group, Ipsos.

Warrnambool came out on top in the Life in Australia study based on factors including a sense of community, access to the natural environment, affordable housing, high quality health services, good job prospects and feeling safe.

Helping Warrnambool achieve the accolade were the community facilities, stunning coastal setting and presence of Deakin University, South West TAFE, a base hospital, dedicated cancer treatment centre and a vibrant arts and culture scene.

In reaching number one Warrnambool outscored inner Perth, Central Adelaide and the Adelaide Hills, Sydney's eastern suburbs, and the inner east and inner south suburbs of Melbourne.

Other regional areas to score highly were the South East of South Australia, the Murray region of NSW and the Sunshine Coast.

Australia's most liveable places and their Ipsos score

Warrnambool and the South West	68.7
Inner Perth	68.6
Adelaide Central and Hills	67
Sydney Eastern Suburbs	65.8
Melbourne Inner South	65
Melbourne Inner East	64.9
Brisbane Inner City	64.8
Perth North West	64.2
South-East South Australia	63.9
Brisbane East	63.6

Australia's most liveable regions

Warrnambool and the South West	68.7
South-East South Australia	63.9
Murray, NSW	63.5
Sunshine Coast, Queensland	63.2
West and North-West Tasmania	63.2
Ballarat, Victoria	62.6
Toowoomba, Queensland	62.4
North-West Victoria	62.2
Cairns, Queensland	62.1
Moreton Bay, South, Queensland	62

Caravan muster comes to Warrnambool

More than 150 caravans set up camp at Surfside Holiday Parks for the annual Australian Caravan Club (ACC) National Muster from October 14-20.

The event will brought more than 300 people from around Australia to Warrnambool for the weeklong event.

Australian Caravan Club Chairman Craig Humphrey said

that expected vans came from far and wide to attend the muster.



“The National Muster is the showcase event of our club. It is the event that attracts the greatest number of club members,” he said.

“Our research indicates that each of the attendees will spend up to \$100 per day whilst visiting the region and previous National Musters have injected over \$250,000 to the local economy.”



The ACC worked closely with the Warrnambool City Council Events and Promotions team to plan a week-long program to showcase all the region has to offer.

Business support program a national winner

Warrnambool City Council's CBD Business Support Program was recognised at the Economic Development Australia Awards for Excellence.

The Business Support Program, put in place while the city centre renewal was undertaken in 2017 and 2018, won the marketing and promotion category.

The Business Support Program included a \$1 million prize draw, the Find the Five promotion, business mentoring, A Very Liebig Christmas, AFL finals giveaways, Easter promotions, Beers & Ideas, free parking and more.



“The aim of the program was to support the businesses in the city centre during disruptive construction phases of the city centre renewal,” Director City Growth Andrew Paton said.

“We had researched the experiences of other cities that had undergone similar city centre renewals and looked at how we could deliver the work to cause the least disruption and what activities could be done with businesses during that time.”



Information gathered during the promotions enabled Council to assess the impact they were having on people's decision to come to the city centre.

“As an example we learnt that the \$1 million prize draw generated transactions valued at \$2.4 million with the average spend per entrant of \$145,” Mr Paton said.

“The Find the Five promotion generated transactions of \$1.2 million with CBD businesses distributing 126,000 competition cards.

“Council also established a promotional website, www.cbdme.com.au which showcased dozens of video profiles of city centre traders along with containing details of the various promotions.

“And Council's Shopfront Façade Improvement and All Ability Access Grant program provided \$105,000 to 54

businesses with the value of shopfront works totalling \$306,000.

“The participation of traders was a key to the success of the program; encouraging customers to enter promotions such as the Find the Five competition and the \$1 million



prize draw helped make the program effective.

“Council would also like to acknowledge the traders who were members of the Liebig Leadership Group which helped steer the program.

“And a big thank you to the Warrnambool residents and visitors who kept coming to the city centre while the construction was under way.

“Ultimately, with funding support from Victorian and Australian governments, Council delivered a very substantial, once-in-a-generation transformation of Liebig Street.

“Major work was completed above and below ground that has improved accessibility and created a more welcoming and inviting space.”

Economic Development Australia is the national peak body for economic development professionals. The National EDA Awards for Excellence were held in Adelaide last week. The awards received more than 80 submissions from across Australia which were shortlisted to 27 finalists in nine categories.

Victorian walkability expert gives city centre tick of approval

The head of Victoria’s peak pedestrian advocacy group praised the pedestrian-friendly changes to Warrnambool’s city centre.

CEO of Victoria Walks Dr Ben Rossiter visited Warrnambool in 2019 to see first-hand the changes made during the city centre renewal.

Dr Rossiter said the streetscape, particularly Liebig Street, had changed significantly since he lived in Warrnambool as a child and that the changes were positive.

The pedestrian-priority crossings at key roundabouts, the lowered speed limits and the removal of gutters and kerbs

in Liebig Street were significant steps in the right direction, Dr Rossiter said.



“This is a massive change. It feels like Warrnambool now wants to park people. They want people to stay,” he said.



“I certainly like being here and I want to stay. I want to hang around.

“Creating walkable communities is really important to create economically sustainable and strong businesses.



“Walking is also the most accessible form of exercise.”

Dr Rossiter cited examples in Bendigo, Canberra, Fitzroy and South Melbourne where pedestrians were being prioritised over cars.



“What Warrnambool has done is really impressive, but you’re not alone. There are cities not just around the world, but around the country doing similar things,” he said.



“Warrnambool is a gorgeous place for walking. Enjoy it. Love it. It’s fantastic.”

Victoria Walks is a walking health promotion charity. It encourages more people to walk more often and also seeks to overcome the obstacles that discourage people from walking.



15km of road network gets resealed

Starting in November sections of 35 Warrnambool streets were resealed to help prevent costly repairs down the track.

The \$730,000 project began mid-November 18 and continued into early December, taking in about 15km of streets.

While some streets scheduled for resurfacing may appear in good condition at a glance, tell-tale signs of wear will have begun to emerge in the form of thin cracks. The cracks allow water to seep into the lower, more expensive

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sections of the road base and eventually create potholes while shortening the effective lifespan of the road.



An annual resealing program can prevent much of this costly damage. This was the fifth year of a partnership with the Corangamite Shire Council which calls for tenders to complete resealing works in both municipalities, a move which allows both councils to benefit from efficiencies due to economies of scale.

Community Development Fund grants

The Community Development Fund supports not-for-profit organisations based in Warrnambool to fund projects, activities and events which meet the grant program eligibility and criteria and contribute to the liveability of the City.

The fund supports our sporting, recreational, environmental, cultural activities and community events to deliver health and wellbeing outcomes for our residents, contributing to the liveability of the city



Applicant	Funding category	Brief project description	Grant
South Warrnambool Community Association	Culture and Arts	Reinstatement of the Warrnambool Woollen Mill whistle.	\$3,000
Warrnambool Triton Workers	Culture and Arts	Purchase of essential club equipment.	\$2,400
Warrnambool and District Historical Society	Culture and Arts	SOS - Save Our Standards.	\$2,337
Warrnambool and District Artists Society	Culture and Arts	Internal painting of facility.	\$2,000
Friends of Warrnambool Botanic Gardens	Culture and Arts	Friends of WBG 30 th anniversary	\$2,500
Warrnambool City Band	Culture and Arts	Kitchen refurbishment of the hall.	\$1,912
Rotary Club of Warrnambool Daybreak	Culture and Arts	Purchase of essential club equipment.	\$3,000
South West Community Energy	Environment and Sustainability	Installation of solar panels.	\$3,000
Friends of Platypus Park	Environment and Sustainability	Merri River community planting sessions.	\$800
Beach patrol 3280-3284	Environment and Sustainability	Monthly beach clean-up sessions.	\$2,500
Warrnambool Coastcare Landcare Network	Environment and Sustainability	Rakali Way community planting sessions	\$2,324
Warrnambool Community Garden	Environment and Sustainability	Community planting of the old quarry	\$2,000
Warrnambool Easter Arts Festival	Events growth funding	Warrnambool Easter Arts Festival	\$2,800
Warrnambool Gift Committee	Events growth funding	Warrnambool Gift	\$2,900
Agricultural Society	Events growth funding	The Warrnambool Show.	\$4,000
Wunta Fiesta	Events growth funding	Wunta Fiesta.	\$15,000
The F Project	Events growth funding	Fletcher Jones Garden Christmas Party.	\$2,800

Applicant	Funding category	Brief project description	Grant
Warrnambool Volleyball Association	Events growth funding	Warrnambool Seaside Volleyball Tournament.	\$2,700
Warrnambool Combined Churches	Events growth funding	Warrnambool City Carols on the Green.	\$1,000
Warrnambool Tri Club	Events growth funding	Foreshore Triathlon.	\$3,200
Allansford Football Netball Club	Events growth funding	Surf T Surf Fun Run and Walk.	\$4,140
Warrnambool Offshore Light Game and Fishing Club	Events growth funding	Shipwreck Coast Fishing Classic.	\$1,400
Warrnambool BMX Club	Events growth funding	2020 Warrnambool BMX Classic.	\$2,000
Dennington Community Association	Events growth funding	Carols by the Merri.	\$1,000
Holiday Actors	Events seed funding	Mamma Mia the Musical.	\$3,000
Warrnambool Athletics Club	Events seed funding	Warrnambool Running Festival.	\$3,016
Warrnambool Student Wellbeing Association	Events seed funding	Wellbeing Week.	\$2,000
Warrnambool Showgrounds Reserve	Events seed funding	Australian Light Horse Association Sports Day.	\$3,250
Comunidades de Lingua Portuguesa	Events seed funding	Warrnambool Portuguese Festival.	\$1,500
Warrnambool Gem Club	Sport and Recreation	Purchase of essential club equipment.	\$1,051
Warrnambool Masters Swimming Club	Sport and Recreation	Masters swimming club coaching course.	\$650
Nestles Cricket Club	Sport and Recreation	Purchase of essential club equipment.	\$1,895
Warrnambool Junior Basketball	Sport and Recreation	Purchase of essential club equipment	\$2,080
Warrnambool Dog Training School	Sport and Recreation	Dog training coaching sessions.	\$900
Warrnambool Rangers Football Club	Sport and Recreation	Purchase of essential club equipment.	\$3,000
Nestles Rowing Club	Sport and Recreation	Purchase of essential club equipment.	\$844
Warrnambool Golf Club	Sport and Recreation	Strategic and business plan.	\$3,000



Advocacy helps secure renewable energy precinct

In December Deakin University's Warrnambool hydrogen energy project received a \$2 million Australian Government grant.



The funding announced by Federal Member for Wannon Dan Tehan, will support the first stage of a hydrogen hub to enable the creation of a research, manufacturing and supply chain project in Warrnambool.



This hub will help supply green energy at a competitive price to meet the needs of the community and power the region's industry, transport and energy markets.

The Hydrogen Council predicts the global hydrogen market will be worth around \$US2.5 trillion by 2050. Australia's Chief Scientist has also nominated hydrogen as a potential area of emerging priority and one where Australia's current circumstances could create a competitive advantage.

Deakin University will lead the project with Kenworth and Warrnambool City Council.

When the initial phase is complete, Deakin University will work to establish a 4.5ha hydrogen precinct site that will support fuel cell manufacturing, gas pipeline testing and the development of safety and standards protocols.

It is anticipated that industry and community organisations that partner or co-locate within the Warrnambool-based precinct will also benefit from the project.

"This energy precinct will set a template for other regions that are looking to collaborate on projects that align with Government priorities."

The project aligns with the long-term community plan, Warrnambool 2040, which contains a goal for the Warrnambool municipality to be carbon-neutral by 2040 with energy provided by renewable sources.

Deakin University's Director Energy Dr Adrian Panow said the research at the hub would focus on how homes and industry could transition from the use of diesel and natural gas to hydrogen.

"It's difficult to decarbonise the transport industry without

hydrogen," Dr Panow said.

"We need to take our research and scale it up to have global relevance."

A catalyst for Deakin University's push into hydrogen, which does not emit greenhouse gases, was hosting a forum in April 2019 at which a delegation from the Swedish regional city of Mariestad presented its work on hydrogen.

Mariestad's local government body has completed a project in which hydrogen is generated using renewable solar power. The hydrogen is used to power municipal vehicles and work is under way to use hydrogen to heat public buildings.

Warrnambool City Council signed a memorandum of understanding with Mariestad, which contains commitments to share knowledge and insights on renewable energy.

Feedback sought on dredging options

To help inform a 10-year dredging strategy for the Port of Warrnambool Council sought community feedback on options for the disposal of dredged sand.

The strategy will help ensure that dredging is done in a way that best meets community needs and those who use the port's boat launching facilities.

Council carries out dredging at the Port of Warrnambool on behalf of the Victorian Government.

Dredging ensures there is enough water depth to make the area around the port navigable and the greater depth also helps diffuse wave energy at the launching ramp.

Dredging has proven to be effective at reducing the height of waves experienced on the public boat ramp by as much as 40%."

Four options for disposal of dredged material were considered:

Option 1. Disposal of dredged material in specially constructed retention ponds behind the dunes at Worm Bay.

Option 2. Disposal of dredged material on to a wide stretch of Lady Bay beach from the Pavilion Café to Warrnambool Surf Life Saving Club (approx.) The deposited sand would be 20m wide and 2m deep.

Option 3. Hybrid which is a combination of options 1 and 2. Disposal of some material behind the dunes and some along the beach (up to 5,000 cubic metres of sand placed on the beach to stabilise the dune face).

Option 4. Near-shore marine disposal of dredged material. This would create an artificial sand reef. This would remain in place for a period of time before coastal action placed some material on the beach while a portion would be dispersed off-shore.

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A new adventure awaits at Lake Pertobe



In December new designs for the Lake Pertobe Adventure Park were released.



The plans were inspired by the community consultation undertaken over 2017 and 2018 that led to the development of the Lake Pertobe Master Plan.



They include a greater variety of equipment for children to play on, proposed planting that will provide more shade and shelter and there will be more all-abilities equipment.



The plans propose a safe environment that still provides plenty of excitement with a 9m climbing tower, water play area, swings, a cubby, sand play spaces and agility challenges.

The \$2.9 million Lake Pertobe upgrade is being funded in equal parts by the Australian Government's Building Better Regions Fund and Warrnambool City Council.

The playground is a component of the upgrade, which will also include a new toilet block at McGennan Car Park, all-abilities paths and a walking trail which will acknowledge the environment and culture of the space.

New bridge across Russells Creek

Students and the public were given access to a new bridge across Russells Creek in December.

The bridge, east of Bromfield Street, has been funded by Warrnambool City Council and St Joseph's Primary School.



Made of pre-cast concrete by a local manufacturer, the new 6.2m bridge replaces an old timber structure that had become unsafe and could no longer be used.



The bridge was officially opened by Warrnambool Mayor Cr Tony Herbert.

The renewal project connected to an additional



120m of concrete path linking the bridge to the Bromfield Street school crossing which was moved to a safer spot north of the intersection with Barbers Lane.



The improved connections encourage more walking and in this case we're providing a safer environment for children on their way to and from school.

The cost of the new bridge was \$90,000.



Over the financial year, funded by the two per cent rate cap variation, Council invested \$374,000 on renewing 600 lineal metres of footpath.

The restoration of a Warrnambool icon



The iconic Wollaston Bridge was carefully restored in 2019 with \$335,000 invested on:

- improving abutments connecting to the bridge to the path network;
- replacing timber cross beams and bracing as critical structural support for the suspension bridge;
- replacing deteriorated timber bottom trusses, section of top truss and several posts; and,
- installing new decking and kerb in a contemporary arrangement for improved cyclist and pedestrian safety.

Heritage Victoria provided \$195,000 towards the project to which Council added a further \$140,000.



While this work has restored the structural integrity of the bridge, some minor work will be carried out in the future to improve the safety and aesthetics of the bridge.

Work for service veterans recognised

A Warrnambool resident and former Army photographer who volunteers time to help young defence force veterans after they have returned to civilian life became the 2020 Warrnambool Citizen of the Year in January.

James Mephram was recognised for efforts that included involvement in Veterans Health Week activities such as the Great South Coast Veterans Retreat and the Veterans Community Picnic, giving his time as a volunteer subject in the Human Library 3280, a Mental Health Week initiative, and being active in the Rotary movement.

Awards were also given out for Young Citizen of the Year, Local Achiever and Community Event of the Year.



The celebration featured a citizenship ceremony involving 28 people from countries.

Award recipients are chosen from nominations that come from the community. Nominations are reviewed by Council's Australia Day Awards Advisory Committee, which makes recommendations to Council.

The other 2020 Australia Day award recipients were:

Young Citizen of the Year

Shannon Carter – for work as a volunteer wildlife carer and youth advocacy through the Youth Alliance group facilitated by Brophy Family and Youth Services.



Local Achievers

Tom Richardson and Kylie Thulborn – joint recognition for their work in co-ordinating the Find Your Voice all-abilities choir.

Marie McDonald – for a sustained effort over many years to

raise money for breast cancer research through morning teas and selling homemade goods.

Keith McKenzie – for leadership in the scouting movement over 35 years.

Warrnambool Night Owls – recognition for a CWA group that works tirelessly making and donating items and money to a range of organisations and charities within Warrnambool including the Warrnambool Hospice, Warrnambool Special Developmental School, Warrnambool Breast Feeding Centre, the Warrnambool Toy Library, Anglicare Lego Brick Club, farmers' relief funds and the CWA Victoria Disaster Assistance Fund.

Event of the Year



The Human Library 3280 – organized by Matt Reeves and Jodie Fleming the Human Library was an event where people could “borrow” a human book for 15 minutes to gain an insight into the person's background and life experiences. A feature event during Mental Health Week.

Household glass collection trial

A trial kerbside glass collection service began in February.

About 3400 properties in two trial areas had the lids on their 80L rubbish bins swapped from red to purple – becoming a glass-only bin.

At the same time, they received a new, larger, 140L rubbish bin.

The move to a four-bin kerbside system has the potential to reduce the Municipal Waste Charge for each property by about \$10 annually.

The move to a glass-only collection was because combining glass, cardboard and paper in the same bin created a mix of materials that the recycling industry could not use.



The mix of materials – which are otherwise recyclable - meant that they could end up in landfill, resulting in a poor environmental outcome and, because of the State Government landfill levy, an expensive one.

The community had indicated through a survey that a kerbside glass collection alongside a larger rubbish bin that

Highlights 2019-2020



was collected fortnightly was the preferred solution.

This means that there are the same number of 'bin lifts' and truck movements but with an improved recycling outcome.



The separate glass collection continued significant steps made in recent years to reduce the amount of waste being sent to landfill.

Before the introduction of a FOGO (food organics, garden organics) collection the average bin contained 40 per cent organic material and this material was being sent to landfill.



The organic material is now being placed in FOGO bins which has freed up space in red-lidded landfill bins.

The kerbside glass collection was supplemented with bottle banks at Bunnings, the Dennington Shopping Centre and Norfolk Plaza. These will accept all household glass.

What plant and where?

With the aid of the Warrnambool and District branch of the Australian Plants Society, Warrnambool City Council developed an online plant selector tool.

The tool allows gardeners to select plants based on a range of factors including type, size and water requirements.

People can also choose between Australian plants and plants endemic to the Warrnambool region.

Each plant is accompanied by a stunning photograph, expertly taken by Australian Plants Society member, author and photographer, Kevin Sparrow.

Going green through innovative scheme

Warrnambool businesses were encouraged to add sustainability upgrades to their buildings through a new incentive scheme - an Environmental Upgrade Agreement.



Among the businesses to take up the opportunity was the City Central Motel and Apartments which added a 20-kilowatt photovoltaic array, water tanks, double glazing and insulation.



Owner Linda Close said the outcome would be more comfortable accommodation for guests, a reduction in the environmental footprint of the business and lower operating costs.



With an Environmental Upgrade Agreement businesses can access finance through the Sustainable Australia Fund.

The fund, originally established by the City of Melbourne, provides competitive loans which are repaid through Council rates.

The loan is attached to the property rather than an individual and can be repaid over several years.

Warrnambool street renamed Toohy Drive

Fiscalini Drive in Warrnambool's north was renamed Toohy Drive.

The name change came about after Council receive requests from the community to change the name of Fiscalini Drive, which is named after former Warrnambool Catholic priest Monsignor Leo Fiscalini.

This followed evidence given to the Royal Commission into Institutional Responses to Child Sexual Abuse that parents of victims of convicted paedophile Gerard Ridsdale had sought help from Monsignor Fiscalini but received little support.

Monsignor Fiscalini died in 1995, before the Royal Commission began.

The requests from the community to change the name of the road make references to the emotional harm the continuing reminder of the street name has on surviving victims and their families. Monsignor Fiscalini died prior to the launch of the Royal Commission.

The new road name, Toohey Drive, references the family which owned and farmed the land that later became the Toohey Estate residential subdivision.

A time to care for each other



In early March Council began sharing information and advice from the Department of Health and Human Services about COVID-19.

This included recommendations on hand washing and coughing or sneezing etiquette.

Mayor Cr Tony Herbert called on the community to look out for each other.

“While helpful information was available online there were still some people in the community without an internet connection,” he said.

“So it’s important that you call your elderly relatives or neighbours to see how they’re going.

“Let them know to tune in to the news on the radio or television to keep up to date with the latest advice.

“I know of some older people who have gone to do their weekly shopping and been bewildered by the absence on the supermarket shelves of toilet paper and some essential food items.

“So we need to be mindful that there are those who are just buying for their immediate needs and who are not able financially to build up reserves of household items.

“We pride ourselves on being a well-connected and caring community. It’s time for our values to come to the fore.”

Dog park to double in size



The rollout of Stage Two of Warrnambool’s Community Dog Park began in April.

The \$20,000 second stage included doubling the size of the park and adding seats.



Under current COVID-19 precautions Council was still able to proceed with construction projects provided social distancing protocols were observed.

“This has proven to be an enormously popular community facility and has involved a great partnership between Council and the community,” Warrnambool Mayor Cr Tony Herbert said.

“We are using the services of local contractors for the work, including fencing of the new section while the

community working group is also involved with the planning and delivery of some of the Stage Two elements.



“The extended space covers an acre (4000sqm) so that’s extra room for running, fetching, gathering and general canine and human socialising.

“I know we’re all looking forward to the day when we can re-open the park and have dogs and people gathering in a dedicated doggie domain.”

Live online auctions start at SWVLX

For the first time buyers at Friday’s store sale at the South West Victorian Livestock Exchange were able to bid online for cattle.



The April 24 sale of 1500 head of livestock was streamed through a service delivered by SWVLX and online auction platform StockLive.

SWVLX Service Manager Paul White said staff and operating agents were looking forward to the prospect of reaching a wider audience through the live online auction.

“With the challenges and restrictions on physical attendance presented by the current COVID-19 environment, the Warrnambool livestock agents sought to increase exposure of the region’s high quality livestock to the broadest array of buyers,” Mr White said.

“We’ll be able to reach buyers both locally and interstate by interfacing the live sales at SWVLX through the Stocklive platform.”

Thousands tune in to LoungeFest



Warrnambool’s first online music festival was hailed as a “revolution” by local music icon Nick How.

Viewership of Get Around Warrnambool - LoungeFest peaked at 1800 simultaneous screens on Saturday April 11, instantly making the concert one of the biggest in the city’s history.

How’s band “The Motorvators” joined 19 other local musical acts on the festival line-up.

Highlights 2019-2020



With live music venues closed due to COVID-19, the idea was to create a virtual music festival to bring the talents of South West musicians to loungerooms everywhere.

Musicians either sent in recordings made especially for the event, or if that wasn't possible, they submitted footage from previous gigs.

This was then broadcast on the Warrnambool City Council, COAST FM and Fitz Media Productions Facebook pages as well as on the radio at 95.3 COAST FM.

The three parts of the festival have attracted a cumulative 47,000 views on Facebook either live or on demand. LoungeFest was organised by the Warrnambool City Council, COAST FM, Fitz Media Productions and Karen Thomson.

2020 Warrnambool and Moyne Youth Awards

The Warrnambool and Moyne Youth Awards were livestreamed on Friday May 8.



The awards recognise the achievements of people aged 12-25 who demonstrate virtues including cooperation, resilience, responsibility, kindness and passion.

The ceremony was hosted by radio presenter, author and former Warrnambool resident Alex Dyson and streamed on Facebook, with viewership peaking at 350 simultaneous screens.

"Being able to win an award from the comfort of your own home is something that should happen more regularly," Mr Dyson said.

"I won the Warrnambool Gymnastics Club most improved medal in 1996 and have been bragging about it ever since.

"But honestly, when you're going through so much as teenagers and to suddenly have effort recognised, it's an incredible feeling.

"To feel seen and have your efforts recognised is an extremely fulfilling emotion. It allows not only friends and family to celebrate you, but can be an example to others of how personal skill and determination can allow anyone to

succeed."

The newly established Youth Showcase was moved online, with the talents of young local musicians, artists, filmmakers and entrepreneurs captured in video packages produced by Colleen Hughson of First Ladies Productions.

These packages, along with other videos posted on Facebook and Instagram in the weeks leading up to the awards ceremony have attracted a cumulative 40,000 views.

The 2020 Warrnambool and Moyne Youth Awards were presented by the Warrnambool City Youth Council, the Moyne Shire Youth Council, the Rotary Club of Warrnambool, Warrnambool Blue Light, the Gwen and Edna Jones Foundation, Freeza Victoria and COAST FM.

2020 Warrnambool and Moyne Youth Award Winners

Warrnambool 12-15 Winner: Amarli Frankel

Runner Up: Mia Copland

Moyne 12-15 Winner: Riley Kelly

Runner Up: Phoebe Reaburn

Warrnambool 16-18 Winner: Maggie Johnson

Runner Up: Sebastian Simmons

Moyne 16-18: Winners: Keely Moore & Samuel Sutcliffe

Runner Up: Stephenee Hines

Warrnambool 19-25 Winner: Kajol Eagle

Runner Up: Monique Hustler

Moyne 19-25 Winner: Harry Coffey

Runner Up: Sean Leneh

Restoration of Moyjil beach access set to start

Work to restore a beach access staircase at Moyjil-Point Ritchie began in May

The \$215,000 project was funded by Warrnambool City Council (\$94,000) and the Department of Environment, Land, Water and Planning (\$121,000) and is being delivered in partnership with the Eastern Maar Aboriginal Corporation.

Maar shell middens and other archaeological material unearthed in recent years have resulted in Moyjil becoming the subject of an Ongoing Protection Declaration, the highest level of protection available for Aboriginal cultural heritage in Victoria.

The new access project was a collaboration that also includes the Eastern Maar Aboriginal Corporation, the Registered Aboriginal Party for the area.

"Moyjil has been and remains a place of great significance for both Eastern Maar Citizens and everyone that lives or visits Warrnambool. We welcome the announcement that

works will begin to further protect the significance of this place for everyone,” Eastern Maar General Manager Cultural Landscapes John Clarke said.

“We all have a stake in the protection of this old place. It is an old place. A human place; and one that we all can continue to enjoy.”

Annual tree planting program set to begin

New developments, reserves and spaces in established streets were included in Warrnambool’s 2020 street tree planting program.

From June each year Council plants hundreds of trees around the city bringing shade, sequestering carbon, creating habitat and adding to the visual appeal of neighbourhoods.

In-fill planting will be done along Toal Drive, Wares Road and Zammit Drive.

Planting in new developments is scheduled for Norman Street, Morton Street, McGinness Way, Boston Drive, Corrigan Street, Goodall Street, Recreation Drive, Shaw Street, Seascape Road, Motang Drive and Montgomery Lane.

The tree species and varieties to be planted this year are a mix of native and exotic and include:

- *Pyrus calleryana* 'Capital' (Ornamental Pear)
- *Prunus cerasifera* 'Oakville Crimson Spire' (Flowering Plum)
- *Lophostemon confertus* (Brushbox)
- *Banksia integrifolia* (Coastal Banksia)
- *Magnolia grandiflora* 'Kay Parris' (Evergreen Magnolia)
- *Angophora costata* (Smooth Bark Apple)
- *Zelkova serrata* 'Green Vase' (Japanese Elm)
- *Lagerstroemia cultivar* (Crepe Myrtle)
- *Banksia marginata* (Silver Banksia)
- *Corymbia maculata* (Spotted Gum)
- *Tristaniopsis laurina* (Water Gum)
- *Grevillea robusta* (Silky Oak)

A safer intersection for Timor and Kelp streets

The construction of a new roundabout at the intersection of Timor and Kelp streets was completed in June.

The intersection has a history of crashes, with Council successfully applying for \$272,000 in Australian Government Black Spot Funding to help make it safer.

Each year, the Australian Government invites funding applications to treat Black Spot sites with a proven history of crashes across Australia.



In five years of data, there have been four crashes at the Timor and Kelp Street intersection, including one where someone was seriously injured.

“While the intersection might look innocuous at first glance, the crash statistics say otherwise,” Warrnambool Mayor Tony Herbert said.

“I’d like to thank the Federal Government for their support to help make Warrnambool’s roads safer.

“Anyone who saw the construction site over the past month saw that there was plenty of work involved, and I’m happy that Council was able to continue to progress with the project.”

Challenges

The economic and social recovery from the impact of COVID-19 will figure prominently in Council's planning.

Council is also faced with the same challenges around asset renewal and closing the funding gap to ensure that Council assets - which are the community's assets - are maintained to a fully functional standard.

The future

Over the coming year Council will develop two new key strategic documents: the Council Plan and the Municipal Health and Wellbeing Plan.

Council will also renew a key policy required under the Local Government Act 2020, the Community Engagement Policy.



The year in review

From the Mayor

This Annual Report details Warrnambool City Council's achievement of the Council Plan objectives and is the fourth report of this Council.



The role of Council defined under the new Local Government Act (2020) is to “provide good governance in its municipal district for the benefit and wellbeing of the municipal community.”

The second half of the financial year has been profoundly affected by the impact of COVID-19.

The impact has been felt by the whole community including Council. At the time of writing Warrnambool and the South West had recorded relatively few cases of coronavirus compared to metropolitan regions, however the “second wave” of infections in Melbourne has prompted us all to remain vigilant and to take precautions.

To help contain the spread of COVID-19 Council responded promptly to the advice provided by the Department of Health and Human Services. This saw temporary shutdowns or modifications to a number of Council services. Among the Council services closed to the public were AquaZone (aquatic centre), the Lighthouse Theatre, Warrnambool Art Gallery, Warrnambool Stadium, Flagstaff Hill Maritime Village and Archie Graham Community Centre. Council also closed its face-to-face customer service counter but continued to

Throughout the year Council continued to advocate on behalf of the city on issues including the Princes Highway West, a roof for the South-West Victorian Livestock Exchange and improved rail services.

While COVID-19 has changed the way we do business to a large extent the year has also brought its share of highlights.

These include Warrnambool being declared Australia's most liveable city by independent research company, Ipsos.

While the year has been challenging on a number of fronts we continued to deliver on our Council Plan commitments and to provide essential services to the community during the state of emergency.

I would like to thank fellow Councillors, Council staff and the community for making enormous contributions towards the great city of Warrnambool.

Cr Tony Herbert
Mayor

From the Chief Executive Officer

On behalf of Warrnambool City Council it is a pleasure to present Council's Annual Report for 2019-2020.



The functions of the Chief Executive Officer are to support the Mayor and the Councillors in the performance of their roles; and to ensure the effective and efficient management of the day-to-day operations of the Council.

The spectre of COVID-19 was a constant presence for Council in the final five months of this reporting period.

Council focused on the delivery of essential services during this time with staff performing in an outstanding manner during the switch to service delivery during a pandemic. The “back-of-house” staff provided great support during this uncertain time.

We acknowledge the staff who were stood down during this time - a cruel outcome of the pandemic - and we hope to see them back as soon as possible.

At the end of June 2020 Council's financial position shows the impact of closures of business operations that generate revenue including AquaZone, Flagstaff Hill Maritime Village and the Warrnambool Stadium.

Despite the impact of COVID-19 Council has finished the 2019-2020 financial year with positive cash balance and prepared to embark on a post-pandemic recovery.

The 2019-2020 financial year also saw revenue raised through a rate cap variation, approved by the Essential Services Commission to cover an asset renewal funding gap.

In November work funded by the variation began including a section of footpath along Pertobe Road in front of the carnival site; work at Cannon Hill from the Portuguese monument to Pertobe Road; and stretches of footpath along Russells Creek, St James Park and Gateway Road.

Funds were also earmarked for the replacement of an ageing playground in Pappas Drive and renewal works to the Hopkins River Bridge.

Vikki King
Acting Chief Executive Officer

Note: for the duration of the 2019-2020 year Council's Chief Executive Officer was Peter Schneider.

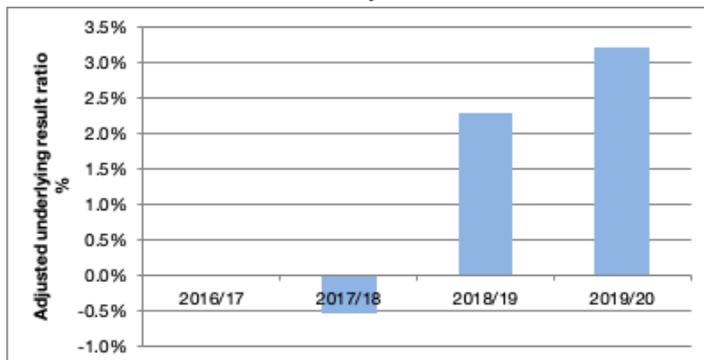
Financial summary

Operating position

Council achieved an accounting surplus of \$12.36 million in 2019-20 which is lower than the 2018-19 surplus of \$13.96 million and is impacted by the lower level of non-monetary contributions which are externally driven by property development activities.

The COVID19 restrictions have had a substantial impact on the income of Council with a number of facilities required to close, Council has managed to offset the majority of this impact through reducing controllable expenses and standing down staff where appropriate.

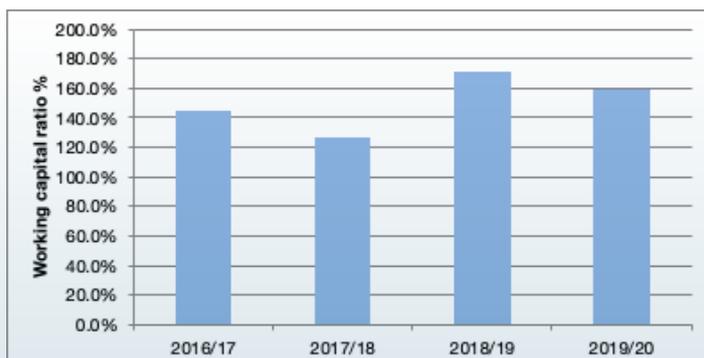
The adjusted underlying surplus of council, after removing non-recurrent capital grants, non-monetary capital contributions, profit/loss on sale of equipment and major expensed capital works, is a surplus of \$2.42 million (\$1.71m in 2018/19). This is above the expected target of >0% and is mainly due to the receipt of Government grants where service provision or project delivery will occur in the 2020/21 financial year.



Liquidity

The working capital ratio has decreased from 171.6% to 158.7%. This is above Council's long term average and is mainly due to a number of government grants received in advance for provision of service or project delivery that will occur in the 2020/21 financial year.

The working capital ratio which assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 158.7% is an indicator of satisfactory financial position and within the expected target band of 100% to 200%.



Obligations

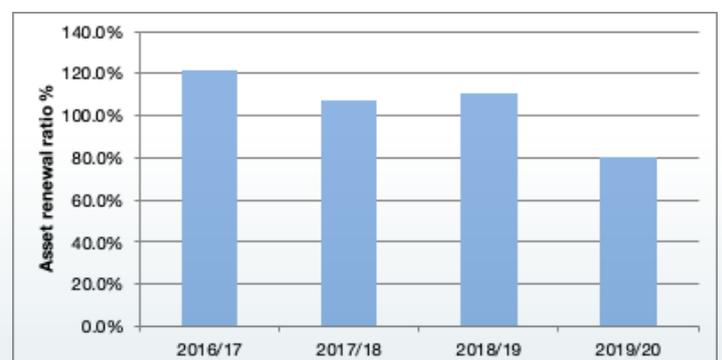
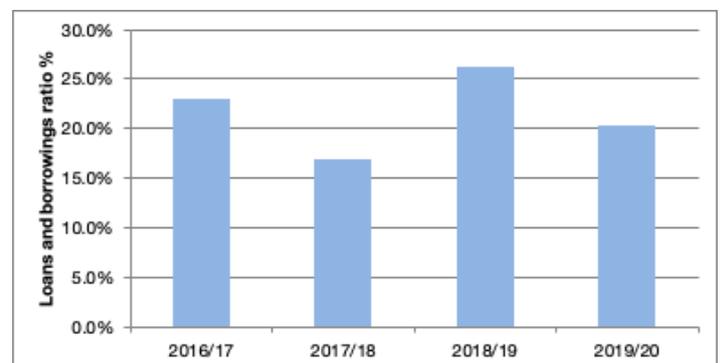
Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community.

To help bridge the current infrastructure gap, council invested \$9.77 million in asset renewal works during the 2019-20 financial year which was below the 2018/19 investment, this is due to the scale of externally funded asset renewal works in 2018/19 with the City Centre upgrade being the largest.

Council's asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation was 80.5% which was a decrease against 2018/19 (110.3%). During the 2019/20 financial year Council increased its own source expenditure in asset renewal with the assistance of the rate cap variation, however the level of Government funded asset renewal spend decreased. To ensure the City's asset are maintained, further assistance is required from the State Government.

At the end of the 2019-20 year council's debt ratio which is measured by comparing interest-bearing loans and borrowings to rate revenue was 20.4% which is within the expected target band of 20%-60%.

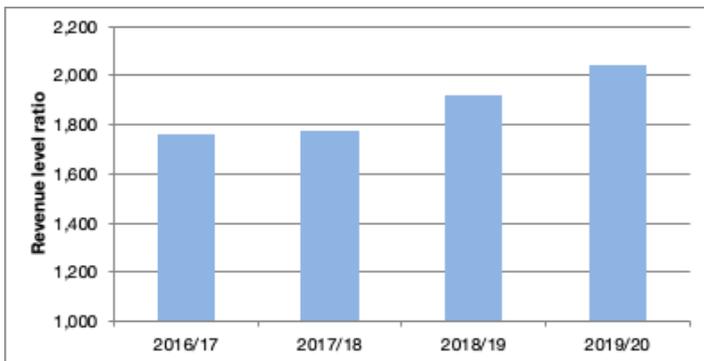
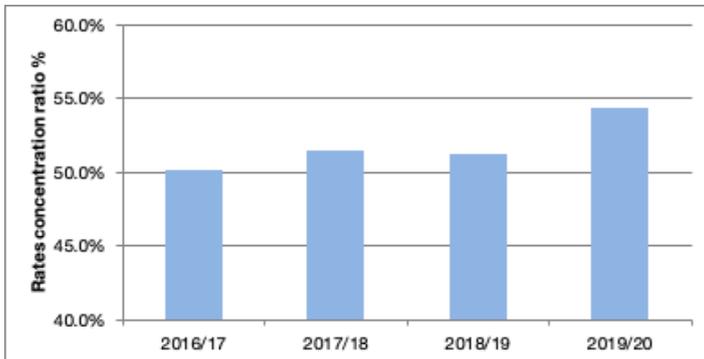
Council had no new borrowings in 2019/20 and repaid debt of \$1.74m. Council is guided by the borrowing strategy and the long term financial plan as to when it is appropriate to borrow new funds.



Stability and efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Council's rates concentration which compares rate revenue to adjusted underlying revenue was 54.4% for the 2019-20 year which

is within the expected target band of 40%-60% but an increase on prior years due to the reduction in revenue as a result of the COVID19 restrictions. Council's average rate per residential assessment of \$2,041 has increased on prior years driven by the 4.5% rate cap variation increase and a \$33.53 increase in the waste management charge following the introduction of Food Organics/Green Organics (FOGO) and the trial of the glass bin.



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, recreation services including provision and maintenance of sporting facilities; planning; a live performance theatre, aquatic centre and art gallery.

Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan 2017-2021, the 2019-2020 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 also has a wide range of responsibilities under Victorian and Australian legislation.

Economic factors

In 2019 Council successfully applied to the Essential Services Commission seeking to apply a rate increase of 4.5 per cent over the next three years.

The Commission allowed for a rate variation only over

2019-2020 and 2020-2021. In 2019 Council voted to apply a rate increase of 4.5 per cent over the 2019-2020 with the additional revenue raised to be directed to asset renewal.

Major capital works

During 2019-2020 the major capital works included the following:

- Kelp and Timor streets roundabout;
- New climate control system, Warrnambool Art Gallery;
- Upgrade intersection of Koroit and Kepler streets;
- Community Dog Park;
- Restoration of Wollaston Bridge;

Major changes

The impact of COVID-19 saw the temporary closure of reduction in service of a number of Council operations including the Lighthouse Theatre, Warrnambool Stadium, Springers Gymnastics Centre, Flagstaff Hill Maritime Village, the Warrnambool Visitor Information Centre, Warrnambool Art Gallery, Archie Graham Community Centre and Aquazone.

This resulted in a number of staff being redeployed, stood down or required to take leave.

It also reduced income for these facilities.

Major achievements

The rollout of a FOGO (food organics, garden organics) collection service across the city had a major positive impact on the volumes of waste being sent to landfill.

The FOGO service was followed up with a trial of a separate glass collection service that was aimed at ensuring there was no cross-contamination of recyclable materials.

The rollout of the glass collection across the rest of Warrnambool is expected to proceed in 2020-2021.

Warrnambool City Council profile

The Warrnambool municipality is 120sqkm in size and 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 region who are seeking professional and educational opportunities.

A study by global research firm Ipsos revealed that Warrnambool was considered Australia's most liveable city in 2019. This research considered factors including health and education services, access to natural attractions and housing affordability.

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 life saving 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.

Contact details

Warrnambool City Council

25 Liebig Street

Warrnambool, Victoria

Tel: 03 5559 4800

Email: contact@warrnambool.vic.gov.au



Councillors

Warrnambool City Council is an unsubdivided municipality with each Councillor elected by all voters.

Council holds regular open meetings at which key decisions are made.

Seven Councillors were elected in October 2016 for a four-year term.

The seven-member Council was elected in October, 2016. Cr Tony Herbert was elected mayor on October 28, 2019.

In February 2020 Peter Hulin resigned as a Councillor. Following a countback of votes by the Victorian Electoral Commission Cr Peter Sycopoulis was elected to fill the vacancy.



Cr Tony Herbert
Mayor, October 2018 onwards
Tel: 0407 800 510 (business hours)
Mobile: 0427 669 760
Email: therbert@warrnambool.vic.gov.au



Cr Robert Anderson
Mobile: 0428 115 397
Email: randerson@warrnambool.vic.gov.au



Cr Sue Cassidy
Mobile: 0417 438 470
Email: scassidy@warrnambool.vic.gov.au



Cr Peter Hulin
Elected October 2016, resigned February 2020.



Cr Kylie Gaston
Mobile: 0437 623 715
Email: kgaston@warrnambool.vic.gov.au



Cr Michael Neoh
Mobile: 0408 543 638
Email: mneoh@warrnambool.vic.gov.au



Cr Peter Sycopoulis
Mobile: 0439 722 451
Email: psycompulis@warrnambool.vic.gov.au



Cr David Owen
Mobile: 0419 615 887
Email: downen@warrnambool.vic.gov.au

Youth Council

The Warrnambool City Youth Council is a youth-led and coordinated program that provides members with the opportunity to assist local government in understanding the needs of young people.

The Warrnambool Youth Council exists to advocate the opinions, issues and concerns of young people with the goal of enhancing opportunities and outcomes for the youth of Warrnambool.

The Youth Council has a Facebook page with details on youth-based activities, services and groups in Warrnambool and beyond.



Youth Council 2019 : Robert Egan, Anna Barker, Ben Pennington, Armelle Gaston, Caitlin Garner, Meg Reuel, Andrew Pritchard, Elise Drake and Samuel Cargeeg. Absent: Tiffany Tracey, Taylah Hernan, Piper Hinkley.

Our people

Organisational structure

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 and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.

Acting Chief Executive Officer*

Vikki King

*Peter Schneider was Chief Executive Officer for the duration of the 2019-2020 financial year.

Director Corporate Strategies

Peter Utri

- Communications
- Financial Services
- Information Services
- Organisational Development
- Revenue and Property
- South-West Victorian Livestock Exchange

Acting Director City Infrastructure*

Glenn Reddick

*Scott Cavanagh was Director City Infrastructure for the duration of the 2019-2020 financial year.

- Infrastructure Services
- City Amenity
- Facilities and Projects

Director Community Development

Vikki King

- Community Planning and Policy
- Recreation and Culture
- Capacity, Access and Inclusion
- Children's and Family Services

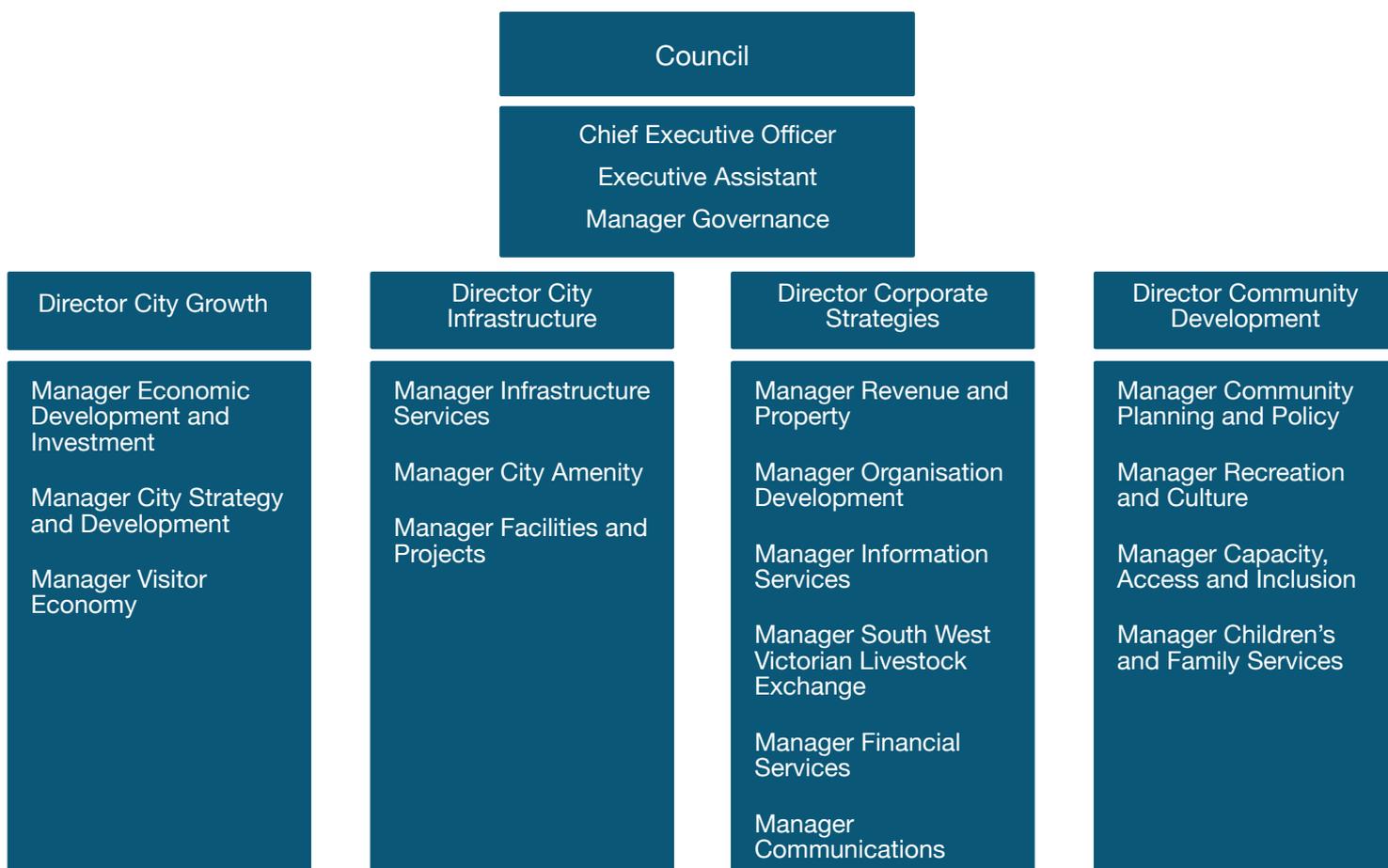
Director City Growth

Andrew Paton

- Economic Development and Investment
- City Strategy and Development
- Visitor Economy



Organisational structure



Council staff

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

Employee type/ gender	Executive FTE	Corporate Strategies FTE	Community Development FTE	City Infrastructure FTE	City Growth FTE	Total FTE
Full-time male	1	18	11	75.3	18.7	124
Full-time female	2	8.5	43	11	15	79.5
Part-time male	0	2	6.4	8.5	3.3	20.2
Part-time female	1	15.7	85	7.9	7.9	117.5
Casual male	0	.4	1.7	.5	.1	2.7
Casual female	0	.5	7.7	.4	.6	9.2

Council staff

A summary of the number of full-time equivalent (FTE) council staff categorised by employment classification and gender is set out below.

Employment classification	Male FTE	Female FTE	Total FTE
Band 1	3.6	5.0	8.6
Band 2	9.9	14.4	24.3
Band 3	39.9	31.4	71.3
Band 4	25.1	46.6	71.7
Band 5	14.7	35.5	50.2
Band 6	21.3	19.3	40.6
Band 7	16.8	11.7	28.5
Band 8	1.0	1.0	2
Unbanded	14.7	39.2	53.9
Total	147	204.1	351.1

Equal employment opportunity program

Warrnambool City Council is an equal opportunity employer committed to providing a safe working environment that embraces and values child safety, diversity and inclusion.

At a policy level these matters are addressed in Council's Inclusion and Diversity Policy and Disability, Access and Inclusion Policy.

Other staff matters

Council has under way an organisation review that is examining the staff structure to ensure resources are being deployed efficiently and effectively in order to deliver on the Council Plan.



Our performance

Planning and accountability framework

The Planning and Accountability Framework is found in part 6 of the Local Government Act 1989 (the Act).

Note that while this Act has been replaced by the Local Government Act 2020 the requirements of the 1989 Act apply this reporting period.

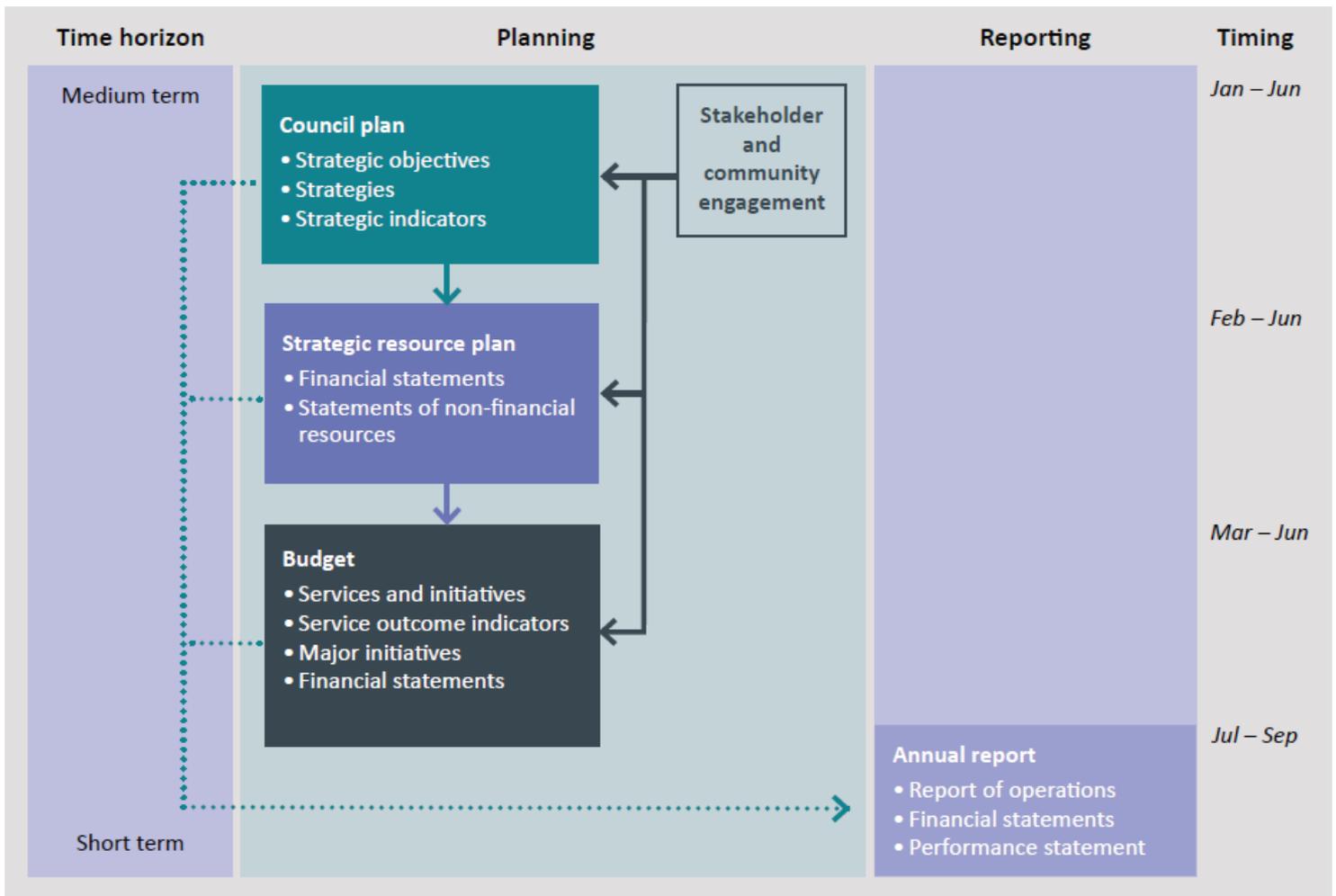
The Act requires councils to prepare the following planning and reporting documents:

- a council plan within the six months after each general

election or by 30 June, whichever is later;

- a strategic resource plan for a period of at least four years and include this in the council plan;
- a budget for each financial year; and
- an annual report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Council Plan

The council plan 2017-21 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. Sustain, enhance and protect the natural environment

We will protect our waterways, coast and land; prepare for climate change; investigate options to minimise our waste and look to derive positive outcomes from eco-business.

2. Foster a healthy, welcoming city that is socially and culturally rich

We will seek to have more people feeling healthy and well; have more people learning; have more people culturally involved; have more people connected and participating; we will be resilient in emergencies and be a healthy and safe place to live and study.

3. Maintain and improve the physical places and visual appeal of the city

We will have more of our city connected; we will be a vibrant city; our infrastructure will be fit-for-purpose; we will provide greater amenity and ease of movement and we will be proud of what we already have.

4. Develop a smarter economy with diverse and sustainable employment

We will grow our population; we will have a more sustainable local economy; we will have a more beneficial visitor economy and we will have more modern infrastructure.

5. Practice good governance through openness and accountability while balancing aspirations with sound financial management.

Council will provide strong advocacy for the community and region. It will practice transparent decision-making while delivering services efficiently and effectively.

Performance

Council's performance for the 2019-2020 year has been reported against each strategic objective to demonstrate how council is performing in achieving the 2017-2021 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.



Council Plan

Performance

Council's performance for the 2019-2020 year has been reported against each strategic objective to demonstrate how council is performing in achieving the Council Plan 2017-2021.

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.

Key

- Completed
- Progressing
- On hold
- Not progressing
- Not updated

1. Sustain, enhance and protect the natural environment.



1.1 Protect and enhance our waterways, coast and land

Action Code	Action	Responsible Officer	Progress	Traffic Lights	Comments
1.1.1	Complete a Domestic Wastewater Management Plan.	Coordinator Environmental Health	90%	●	Plan has been drafted which is due for Council adoption in August 2020.
1.1.2	Ensure compliance with Local Laws relating to horses on Lady Bay.	Coordinator Local Laws Traffic Fire & Animal Control	100%	●	Although this action is ongoing, compliance has been achieved through warnings and suspensions of offenders. Horse training was suspended on Lady Bay due to Covid-19 but at the time of reporting had resumed.
1.1.3	Ensure all septic tanks meet EPA guidelines and requirements.	Coordinator Environmental Health	100%	●	The installation of new septic tanks complies with the EPA Code of Practice at the date they are installed. The continued monitoring of these, particularly at high-risk sites (i.e. beside rivers), will be achieved via the implementation of the Domestic Wastewater Management Plan. This action is ongoing.
1.1.4	Review recycling practices in the city and develop short and long-term options for recycling processing.	Manager City Amenity	100%	●	Council resolved to introduce the fourth bin for glass across the municipality. This action will be implemented in 2020-2021. This initiative greatly improves the quality of recyclable material collected and potentially lowers the cost of recycling.

1.2 Commit to being a carbon neutral organisation by 2040

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.2.1	Deliver street lighting energy efficiency replacement program.	Coordinator Natural Environment	100%	●	The Street Lighting Project is under way and the lighting design is progressing for replacement of LED street lights in the second half of 2020. Appointment of a contractor is imminent with implementation timelines scheduled for end of 2020.
1.2.2	Continue to reduce reliance on landfill by diverting organic material from waste streams.	Manager City Amenity	100%	●	This action in relation to FOGO is ongoing although the program has been fully rolled out. In 2019-2020 800 tonnes of material was diverted from landfill.

1.3 Assess our climate change preparedness

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.3.1	Support State Government in Local Coastal Hazard Assessment program.	Coordinator Natural Environment	100%	●	The Deakin University dune monitoring program is under way and includes Lady Bay. The monitoring will inform Phase 2 of the Local Coastal Hazard Assessment which is subject to funding. Warrnambool City Council has been selected as the lead agency for the Barwon South West Climate Alliance and will host a Climate Alliance Establishment Officer, a position funded by the Department of Environment, Land, Water and Planning and Alliance Councils.

Report of operations for the year ended June 30, 2020

1.4 Review options for managing waste.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.4.1	Investigate opportunities for waste to energy to reduce reliance on landfill.	Manager City Amenity	40%		These investigations and discussions with potential providers are continuing.

1.5 Review options for managing waste.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
1.5.1	Implement Green Futures support program for households and businesses to facilitate improved energy efficiency, use of renewable energy and reduce costs.	Coordinator Natural Environment	100%		A second business audit has been completed, with an aim to begin an environmental upgrade Avenues to further promote and raise the profile and opportunities of the benefits of the Environmental Upgrade Agreements is being undertaken.

Major initiatives - sustain, enhance and protect the natural environment

The introduction of a glass kerbside collection service to increase diversion of material from landfill began with a successful trial involving 3400 households.

Progress on a street lighting program replacing old lighting technology with efficient LEDs will result in considerable cost savings to Council over the medium term while reducing greenhouse gas emissions.

Service	Description	Net cost
		\$'000 Actual budget Variance
Environmental management	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	505 634 129
Waste Management & Street Cleaning	This service provides kerbside rubbish collections of garbage, and recycling waste from all households and some commercial properties in Council. It also provides street cleaning, leaf collection, street litter bins throughout Council and Food Organics Green Organics collection trial.	3,895 4,452 557
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.	4,032 4,009 (23)

Service performance indicators

Service/indicator/measure	Results				Material variations and comments
	2017	2018	2019	2020	
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	38.09%	37.73%	47.78%	64.30%	
Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	205.76	151.48	162.81	215.87	The increase in kerbside bin collection requests is a result of the introduction of a new FOGO collection across the municipality and a glass collection trial in one fifth of the collection area.
Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	5.24	3.87	4.49	7.03	The increase in kerbside bin collection requests is a result of the introduction of a glass collection trial in one fifth of the municipality. This included the garbage collection frequency changing from weekly to fortnightly in the trial area, so a number of residents thought their garbage bin was missed until they got used to the new garbage collection frequency.
Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$104.22	\$109.29	\$111.26	\$86.17	A new contract for kerbside garbage and recycling collection began in July 2019. The kerbside garbage collection costs are decreasing due to the frequency of the collection progressively moving from weekly to fortnightly as the glass collection roll-out continues.
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$27.55	\$29.25	\$59.15	\$61.03	Nil



2. Foster a healthy, welcoming city that is socially and culturally rich

2.1 Promote healthy lifestyles.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.1.1	Ensure compliance with the Tobacco Act and MAV Tobacco Agreement.	Coordinator Environmental Health	100%		<p>Due to COVID-19, the Tobacco Test Program (TTP), which involves the assistance of a young person under 18 years of age, did not occur during the Easter holiday. The TTP will only resume once health authorities advise that the risk of COVID-19 has significantly reduced.</p> <p>At Warrnambool Base hospital routine monitoring continues to confirm smoking is not occurring within 4m of public entry points.</p> <p>Food premise inspections continue to also ensure that dining areas remain smoke-free</p>
2.1.2	Implement Warrnambool - A Healthy City 2017-2021.	Travel Smart Officer	100%		<p>The Municipal Health and Wellbeing Plan draft review was completed in partnership with South West Primary Care Partnership. The Vichealth-funded This Girl Can campaign was postponed until September due to COVID-19. During March-June online activities were promoted via the Connect Facebook platform and included: emergency messaging about COVID19 (local and state information); promotion of healthy eating and physical activity (local and state information) during lockdown; information around mental health services and help; information and support for people who speak a language other than English; and promotion of local businesses and promotion of lifelong learning (links to virtual tours/ activities and local online activities). Council also worked in partnership with the health network to promote access local food, mental health supports and domestic violence support.</p>
2.1.3	Increase understanding of priority health and wellbeing issues in the community.	Travel Smart Officer	100%		<p>Community planning under way for Gambling Harm Awareness week and Mental Health week for Q4. The 'This Girl Can' campaign (postponed) will incorporate the promotion of the impact of physical activity on mental health as a response to the ongoing stress of COVID19. Planning with the local Peek Whurrong community aims to create a partnership approach to mental health by working with partners to develop programs which connect young people to the language, environment and physical activity/art opportunities. Council will be working with partners to develop a strategy to support people impacted by COVID-19.</p>
2.1.4	Encourage social connection and promote active living in public spaces.	Travel Smart Officer	80%		<p>Reduced capacity to roll out the full program due to officer vacancy and the COVID-19 pandemic.</p>

2.1 Promote healthy lifestyles.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.1.5	Provide communications support to promote Council services and facilities.	Manager Communications	100%		The final quarter of 2019-2020 saw in some instances a reversal of promotional messages as Council services and facilities were either closed or modified their operations to comply with COVID-19 restrictions. This included informing the community of temporary shutdowns or reduced hours at venues including AquaZone, the Lighthouse Theatre, Flagstaff Hill and the WAG.
2.1.6	Ensure premises operating under the Food Act and Public Health Act are inspected before a renewal of registration is granted.	Coordinator Environmental Health	100%		All premises were reinspected prior to their registration being renewed.

2.2 Increase participation, connection, equity, access and inclusion.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.2.1	Partner with local agencies and organisations to address health and wellbeing priorities.	Travel Smart Officer	100%		<p>Increased focus on advocacy and support for local agencies as a result of uncertainty over Primary Care Partnerships funding. The PCPs provided a strong evidence-based case for the role they play in supporting the health and wellbeing of municipalities along with the related agencies with a similar focus. Funding was extended by six months while the State Government considers agency and stakeholder feedback.</p> <p>Beyond the Bell (BTB) funding was due to end in June 2020. Support for continued funding from agencies across the sub-region has been strong and ongoing.</p> <p>Family and Children's Services have continued the Maternal Child Health Immunisation partnership with Gunditjmara Health Service which is achieving high rates of vaccination.</p> <p>COVID-19 is affecting smaller agencies and their capacity to maintain services. Expecting that item will occupy a lot of time from this point on.</p> <p>Other agencies partnered with include Women's Health and Wellbeing Barwon South West, Respect 2040 strategy, Emergency Management Victoria, and Brophy Family and Youth Services.</p>
2.2.2	Develop a proposal for the development of fit-for-purpose immunisation facilities.	Coordinator Immunisation	100%		Designs are in progress, awaiting funding to implement the plans.
2.2.3	Children with the highest needs within the community are identified and offered support through the Early Years Continuum.	Manager Children & Family Services	100%		The Early Years Leadership group has continued to meet and identify families in need. Support from all areas of the early years learning and development continuum is provided to ensure all families needs are met. The establishment of the collaboration group has been a huge benefit through the COVID-19 pandemic with the group increasing meetings from fortnightly to weekly to ensure all families with urgent needs are responded to quickly.
2.2.4	Maintain and enhance child immunisation rates (from 95 per cent coverage).	Coordinator Immunisation	100%		Immunisation rates have exceeded 95% for this year.
2.2.5	Strengthen and further develop the central enrolment process for kindergartens which respond to policy direction emerging from the Early Years Reform.	Service Manager Early Years Learning and Development	100%		The Central Enrolment Project was completed in October 2019, with all project goals completed.

Report of operations for the year ended June 30, 2020

2.2 Increase participation, connection, equity, access and inclusion.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.2.6	Support the collection and sharing of consistent data and evidence to inform strategic and service planning.	Travel Smart Officer	100%		As information is released data is forwarded to relevant staff and local agencies as appropriate.
2.2.7	Encourage residents to be prepared for emergencies, increase awareness of local emergency alerts/warnings and share preparedness resources and information with residents.	Travel Smart Officer	100%		Connect proved to be an effective and efficient source of information for the COVID-19 emergency management situation. During March an extra 1000 people followed Connect so they could be kept up to date with COVID-19 information and as a way to maintain connection during lockdown. Between March and June 482 posts had a reach of 842,029. The highest reaching posts were during the peak of the COVID 19 lockdown in March – “Feeling overwhelmed?” (20,102) and “Stay at Home” (18,770).
2.2.8	Establish a parenting program supporting the needs of fathers within the community.	Service Manager Early Years Intervention & Support	55%		On hold due to COVID-19: unable to conduct groups.
2.2.9	Continue to develop a kiosk information centre for families to navigate children’s services and activities within the community.	Service Manager Early Years Intervention & Support	75%		On hold due to service relocation to accommodate Florence Collins renovation.
2.2.10	Continue to monitor and deliver agreed annual priorities of the State Government Early Childhood Reform Plan across all Early Years Learning and Development services and alliance networks.	Service Manager Early Years Intervention & Support	70%		Sleep and Settling initiative postponed due to COVID. Baby Makes 3 groups postponed due to COVID - planning to offer via Zoom. Parenting education undertaken via telephone hotline.
2.2.11	Embed child safety standards across the Early Years Learning and Development Unit.	Service Manager Early Years Learning and Development	100%		Continuous improvement in place to ensure child safe standards are met and embedded into everyday practice through service quality improvement plans.
2.2.12	Foster relationships between early years services and culturally diverse families, to make sure our services are safe and responsive to their cultural needs.	Service Manager Early Years Learning and Development	100%		The Indigenous Language Program has continued to be delivered to all kindergartens. Action plans are developed to support services to offer a culturally safe environment for all children.
2.2.13	Complete the principle pedestrian network plan to inform future investment in our pathways and support sustainable transport.	Manager Infrastructure Services	90%		Final report released for public comment.

2.2 Increase participation, connection, equity, access and inclusion.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.2.14	Ensure regional assessment targets are met and that quality processes are adhered to.	Service Manager Community Support	100%		<p>The Regional Assessment Service (RAS) has continued to operate under the My Aged Care (MAC) and DHHS COVID-19 restrictions, completing both telephone and in-home assessments as per client needs. RAS Assessment Officers have completed mandatory training to maintain competency and proficiency during this time of continual change. As of the end of June 2020, the following outcomes have been achieved in relation to the Department of Health and Human Services Key Performance Indicator (KPI) criteria:</p> <p>Action referrals within three calendar days of issue KPI Met.</p> <p>Complete Assessments within the allocated priority timeframe KPI Met</p> <p>NSAF (National Screening and Assessment Form) KPI Met - 100% of the NSAF and Support Plans meet the agreed quality</p> <p>Client Satisfaction Surveys KPI Met - every client is sent a survey to fill out, with 100% Clients being satisfied or very satisfied with the overall quality of the Assessment service.</p> <p>Acceptance of referrals KPI Met.</p>
2.2.15	Continue to implement Council's Disability Action Plan.	Manager, Capacity, Access & Inclusion	100%		<p>The Disability Action Plan is currently ahead of schedule with all due actions completed. To date 30 actions were completed, 13 were in progress and one is not progressing due to a lack of budget allocation at this stage.</p> <p>The disability work experience project, that supports People with a disability to gain work experience at Council is on hold due to the current COVID-19 situation. Recommencement will occur once it is deemed safe to do so.</p> <p>Further works to be undertaken during 2020-2021 in response to completed facility audits.</p>
2.2.16	Ensure that the Commonwealth Home Support program meets and maintains all quality service standards as established by the Commonwealth Government.	Service Manager Home Support	100%		<p>Service Quality Self Assessment reviewed and updated. The Home Support Continuous Quality Improvement Plan was updated in line with self-assessment. All service forms have been redesigned using health literacy principles to ensure they are easy to understand and user friendly. Meals on Wheels service is undertaking a service enhancement process, supported by Volunteer Connect, to provide an improved experience for volunteers and clients.</p>
2.2.17	Implement Council's wellness, reablement and diversity plans.	Service Manager Home Support	100%		<p>2019 - 2020 Wellness & Reablement and Diversity Plan reviews submitted to DHHS and following evaluation were accepted and recorded as final.</p>

Report of operations for the year ended June 30, 2020

2.3 Increase community health and social connection.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.3.1	Establish Archie Graham as a key provider of health and wellbeing information, activities and opportunities for older adults and other community groups.	Service Manager Community Support	100%		<p>The Archie Graham Community Centre was temporarily closed to the community due to the COVID-19 pandemic on 23 March 2020. Prior to the closure, health and well-being activities and community information sessions during the first three weeks of March were near maximum capacity.</p> <p>Group exercise staff pivoted from offering centre-based exercise sessions to online exercise sessions. Printable resources with photos and descriptions were also distributed via the centre's newsletter.</p> <p>In the final quarter, centre staff made 667 telephone contacts to check on the well-being of Archie Graham Community Centre patrons.</p> <p>The Archie newsletter included essential safety information about COVID-19 and contact information for Council Home Support Services.</p> <p>During June, the Community Programs and Reception teams developed a COVID Safety Plan in preparation for re-opening the facility in a staged way during July and August (subject to level of restrictions in place).</p>
2.3.2	Increase connectedness and build health and wellbeing knowledge of local people via social media.	Travel Smart Officer	100%		<p>Warrnambool Walks and W2040 have a reach of over 25,000 people. These social media platforms have played an important role during the COVID-19 emergency event and have been used to relay emergency messaging from the Victorian Government along with providing local information about physical and mental health.</p> <p>The West Warrnambool Neighbourhood House was engaged the community via Facebook and as a Foodshare outlet the house was able to supply local people with food hampers.</p>
2.3.3	Continue to support and grow active volunteerism within the local community.	Service Manager Community Support	100%		<p>Volunteer Connect continues to support and advise volunteer involving organisations through the COVID-19 pandemic. Regular contact has taken place via email and phone, offering guidance on volunteer engagement through isolation, as well as advising on how to safely return volunteers to their roles. The South West Volunteer Network meetings are a supportive platform for organisations with volunteers to meet and share ideas on how to respond to the pandemic.</p>
2.3.4	Analyse impact of childcare subsidy and other sector reforms on the Outside School Hours Care operating model.	Service Manager Warrnambool Stadium	100%		<p>The introduction of the Federal Government's Emergency Childcare Relief Package in response to the COVID-19 Pandemic applied a very different operating model to Outside School Hours Care services. The emergency package was to conclude on the July 13 with a staged return to the normal Childcare Subsidy system expected. Engagement with the Department of Education and Training around compliance and quality improvement has not been possible through service visits and face-to face meetings with department officers however Councils OSHC service has actively engaged with the department to progress quality improvement plans for both After School Care and Vacation Care programs.</p>

2.3 Increase community health and social connection.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.3.5	Complete the Age Friendly Communities Project.	Manager, Capacity, Access & Inclusion	100%		<p>Significant progress on the Age-Friendly Cities projects in this quarter include the following initiatives:</p> <p>The Welcoming Business Project “Our business is for everyone” will now support 180 businesses to embrace age and diversity. A sticker to acknowledge the business, online education for business owners and staff and check lists for businesses to measure their accessibility have been developed. Support from the Age Friendly Communities Project Officer will also be provided to support implementation.</p> <p>Driving Safely for Longer The Driving Safely for Longer initiative provided refresher lessons to 18 older drivers and one session to one person with a disability in a specially designed vehicle.</p> <p>Inclusive settings Grants were provided to assist the Warrnambool Community Garden install seating for older people, and the Warrnambool Croquet Club to grow community interest and club memberships.</p> <p>An easy-to-read postcard was developed for GPs to give to older adults with details on how to access clubs and groups, thereby increasing physical and social activity. The final report has been submitted to the Department of Health and Human Services.</p>
2.3.6	Early childhood services know how to respond and reduce harm related to childhood trauma.	Manager Children & Family Services	100%		<p>Staff across the Early Years Learning and Development Continuum have had extensive training in child-related trauma, eg. Marte Meo, Bridges out of Poverty, and Early Childhood Australia Stress and Trauma Training. Staff receive regular debriefing and support to help sustain their health and wellbeing when working in the areas of trauma.</p>
2.3.7	Establish and deliver a Neighbourhood House program in the West Warrnambool Community.	Manager, Capacity, Access & Inclusion	100%		<p>In response to the COVID -19 Pandemic the West Warrnambool Neighbourhood House increased its Facebook presence by advertising delivery of Food Share hampers to residents living in West Warrnambool and Dennington. Hampers were also advertised on Connect Warrnambool social media and the Archie Graham Newsletter and South West Healthcare Community Access to Food Flyer.</p> <p>By the second week of April and with stage three restrictions implemented it became apparent that vulnerable families living in the Warrnambool West area were in need of more support. The Neighbourhood House coordinator collaborated with Life Line Southwest and Warrnambool & District Food Share to offer more services and extra support to residents who were self-isolating, immune compromised, elderly, recently unemployed and those caring for extended family members.</p> <p>A postcard drop offered vulnerable families and individuals access to free items such as warm blankets, clothes, toiletries, food hampers, books puzzles, games and DVDs as well as other information about services in Warrnambool. Neighbourhood House and Lifeline volunteers were recruited to deliver 1,000 postcards to residential addresses in the West Warrnambool community, with a significant focus on pensioner and single parent dwellings, in particular families and individuals without access to Facebook or Wi-Fi devices.</p> <p>In the three months to June 30, 99 hampers were delivered to families in West Warrnambool. Although demand decreased, hampers of food and toiletries were still being delivered by the Neighbourhood House to families on request.</p>

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.3.8	Provide increased services through the Enhanced Maternal and Child Health (MCH) Service to support children up to the age of three years.	Service Manager Early Years Intervention & Support	100%		Supported playgroup on hold as a result of COVID-19, Facebook and Zoom used to remain engaged with families. Continuing to provide EMCH service throughout pandemic with modifications to consider safety.
2.3.9	Review and further develop operational procedures and resources for Emergency Relief Centre Activation at Warrnambool Stadium.	Service Manager Warrnambool Stadium	95%		While the Emergency Relief Centre was not activated at Warrnambool Stadium in 2019-2020, the equipment, stock and facilities have all been reviewed and where necessary supplemented to ensure the Stadium is ready to deliver an effective response in the event of an emergency. Supporting documentation has been expanded and staff training and familiarisation undertaken over the past 12 months.
2.3.10	Work with the system provider to further improve functionality within the KidsXap system for Outside School Hours Care.	Service Manager Warrnambool Stadium	100%		Strong progress has been made over the past 12 months on embedding the KidsXap system within Council's Outside School Hours Care programs. The educator team is now trained and using the system within the service to access information to support individual children while in care. Program administration is now integrated with KidsXap to efficiently manage enrolments, bookings, family accounts and Childcare Subsidy management. A scheduled update (KidsXap 2.0) is expected to enable further efficiencies and program enhancements.

2.4 Encourage and support participation in sport, recreation and physical activity.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.4.1	Implement the AquaZone Operational Plan and make improvements to drive increased visitation.	Aquazone Service Manager	100%		Visitor numbers lower than previous year as a result of pandemic restrictions.
2.4.2	Complete the upgrade to AquaZone's water treatment system.	Aquazone Service Manager	100%		All items completed and signed off.
2.4.3	Implement the Merrivale Recreation Reserve irrigation, electrical upgrade and lighting improvement project.	Recreation Planner	100%		Project completed including final aiming and lux level testing. Acquittal to be submitted to the Victorian Government.
2.4.4	Continue implementation of the Reid Oval Redevelopment Project.	Service Manager Recreation & Youth	100%		Detailed design stage completed and project has gone out to tender. Value management strategies are in place – if required - to compensate for club contributions, however, design costing in on target.
2.4.5	Implement Stage 1 of the Lake Pertobe Master Plan.	Manager Infrastructure Services	50%		Wayfinding signs set to be installed. Bridge 6 completed. Detailed design for playspace and waterplay under way. Path network construction to begin in August, 2020.
2.4.6	Commence implementation of the Active Warrnambool Strategy.	Service Manager Recreation & Youth	100%		Implementation plan being finalised and will be presented to Council in the first quarter of 2020-2021. The plan includes actions with priorities, responsibilities, resourcing and partners involved. The short term actions will be confirmed. A capital works and project prioritisation plan identifying projects for investment will also be presented. The documents will inform the strategy's staged delivery over the next decade and will communicate to the community and key stakeholders the plan priorities over the short, medium and longer term and report on progress.
2.4.7	Coordinate and administer casual and seasonal tenancy use, including fees and charges for use of Council's outdoor sports grounds.	Recreation Planner	100%		Seasonal tenancies completed for 2019-2020.

2.4 Encourage and support participation in sport, recreation and physical activity.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.4.8	Coordinate the implementation of IMS Reserves Manager program with all of Council's sports ground user groups to manage and administer club seasonal allocations, licence agreements and casual sports ground bookings.	Recreation Planner	100%		Implementation complete. Online booking system in place, improving the efficiency of the process and the level of communication and data collected. Casual hires and seasonal use processes are ongoing.
2.4.9	Explore facility management software or web-based solution for Warrnambool Gymnastics Centre.	Service Manager Warrnambool Stadium	100%		Effort prior to the pandemic focussed on restructuring the gymnastics training program to respond efficiently to participation levels. The Centre reopened with staff re-engaged to identify the best operating system to support their work and service delivery. A number of specific gymnastics centre/program operating systems were identified. Staff will assess providers to identify the system most compatible with the requirements and available resourcing at the Warrnambool Gymnastics Centre. This project will cross over into 2020-2021.
2.4.10	Manage facilities and equipment to support domestic indoor sports competitions, tournaments and events at Warrnambool Stadium.	Service Manager Warrnambool Stadium	100%		Engagement with the Stadium's resident sports associations and other local sports and community groups continued throughout 2019-2020. The equipment and facility maintenance and renewal program progressed as scheduled. The pandemic placed a number of scheduled tournaments and events at risk and forced the cancellation winter domestic sports competitions, the Big V basketball season, some schools sport tournaments and the state netball association championship Warrnambool was to host in October 2020. The focus in 2020-2021 will be to safely re-establish regular indoor sports participation for the community at the Stadium.
2.4.11	Upgrade the gymnasium's strength equipment at AquaZone.	Aquazone Service Manager	100%		Installation of new equipment to occur in July 2020. Timeframe was moved due to international border closures during pandemic.
2.4.12	Commence a program of renewal works for AquaZone's outdoor 50m pool.	Aquazone Service Manager	75%		Programming implemented for youth, older adults, and all abilities. Implementation of online workouts through MyWellness.

2.5 Encourage and support more lifelong learning.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.5.1	Continue implementation of the Library and Learning Centre project in conjunction with South West TAFE.	Manager Recreation & Culture	100%		Project on track and has progressed to schematic design. Facade work has commenced.

2.5 Encourage and support more lifelong learning.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.5.1	Continue implementation of the Library and Learning Centre project in conjunction with South West TAFE.	Manager Recreation & Culture	100%		Project on track and has progressed to schematic design. Facade work has commenced.
2.5.2	Deliver Youth Leadership programs that a range of young people can access.	Manager, Capacity, Access & Inclusion	100%		<p>The 2020 Warrnambool and Moyne Youth Awards were presented by the Youth Council via a livestream hosted by Alex Dyson on May 8. The awards received 340 simultaneous live views, 1200 views of one minute or more and a digital reach of 14,291. This year's awards saw significant growth in nominations for people aged 19 to 25 years.</p> <p>2020 Warrnambool & Moyne Youth Showcase, Warrnambool FReeZA and Moyne FReeZA collaboration, was adapted and delivered online showcasing about 40 young artists, musicians, film makers, makers, and creators. Twenty young people participated in remote filmmaking tutorials. Videos were shared in the lead-up to the Youth Awards attracting 40,000 views.</p> <p>FReeZA Warrnambool has undertaken planning on a music mentoring program to be rolled out remotely in August. It will create valuable networks between young people with more experienced music industry professionals.</p> <p>The Youth Council has continued to meet fortnightly using Zoom. Continuing their partnership with W2040, the Youth Council was involved in the delivery of the 20 Activities in 20 Days health and well-being focused program in May. This program supported local businesses and generated social participation with a digital reach of 27,000 and 220 participants. The Youth Council has continued to advocate for young people. Feedback regarding access to clear and trustworthy information has informed the development of the COVID-19 Information Hub by Beyond the Bell, and now located on their website.</p>
2.5.3	Review current kindergarten models in preparation of the governments introduction for funded programs for three-year olds in line with the State Government's early years reform.	Manager Children & Family Services	60%		Meetings with the Department of Education have been established to discuss the progress of three-year-old kindergarten for 2022. Capacity Assessment reports have been delayed due to COVID-19, and work will need to continue into 2021, delaying the progress of this activity.
2.5.4	Continue to provide high quality early years programs within early years services that prepare children to develop to their full potential.	Service Manager Early Years Learning and Development	100%		Services have been recognised for achievement of the Sun Smart and Healthy Eating benchmarks.
2.5.5	Continue to improve school readiness outcomes through the implementation of the DET School Readiness Funding.	Service Manager Early Years Learning and Development	100%		2020 School Readiness plans are on track and have been achieving desired outcomes. The COVID-19 situation has changed the approach to training which has now moved online.

2.6 Encourage a broader range of people in cultural activities.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.6.1	Work with the appropriate stakeholders to progress development of improved tourism product initiatives at Tower Hill and Moyjil.	Director City Growth	100%		In May 2020 the Victorian Government announced \$11.3 million to improve the visitor experience at Tower Hill State Game Reserve. Projects will be prioritised from the recently completed Master Plan for Tower Hill. Tower Hill Project Control Group was formed in 2019 comprising Parks Victoria, RDV, Traditional Owner Groups, Moyne Shire, Warrnambool City Council, Great Ocean Road Regional Tourism, VicRoads, and Visit Victoria. The beach access stair construction project at Moyjil received permit approval from Aboriginal Victoria. Construction was nearing competition with an opening date of late July 2020.
2.6.2	Develop and deliver a Warrnambool Art Gallery calendar of exhibitions and education programs which attract identified target audiences.	Art Gallery Director	100%		During the time of keeping the community safe from COVID-19 infection, Gallery doors were closed but staff worked behind the scenes to transform and digitise the program to keep the community connected through weekly newsletter, stories, activities, exhibitions and competitions.
2.6.3	Complete the 10 year strategy for the Warrnambool Art Gallery.	Art Gallery Director	60%		On hold pending the outcome of a business case.
2.6.4	Continue to foster community partnerships to deliver arts engagement workshops and activities at the Lighthouse Theatre.	Service Manager Lighthouse Theatre	100%		No further workshops were held in final quarter due to COVID-19 restrictions. Workshops and engagement activities planned as part of performances were rescheduled to late 2020 or 2021 to take place alongside new performance dates.
2.6.5	Develop and implement a Lighthouse Theatre membership program to provide increased engagement and opportunities for the community.	Service Manager Lighthouse Theatre	100%		A membership model has been developed, the ticketing provider has confirmed support. Further development on hold due to COVID-19. Will continue in 2020-2021 for an implementation of the new model as part of the 2021 Theatre Season launch in December 2020.
2.6.6	Develop, launch and deliver the 2020 Theatre Season program which attracts identified target audiences and meet the objectives of the Lighthouse Theatre Programming Policy.	Service Manager Lighthouse Theatre	100%		The theatre season suspended from late March due to COVID-19 restrictions. Significant work and negotiation with producers and tour coordinators undertaken to reschedule as many performances as possible to alternative dates in late 2020 or 2021. Support from patrons has remained strong with most keeping their tickets for the new show dates.
2.6.7	Undertake a feasibility study for the future of the Warrnambool Art Gallery.	Art Gallery Director	80%		The tender will be progressed in August.
2.6.8	Manage the Warrnambool Art Gallery collection and programs to enable the gallery air-conditioning upgrade.	Art Gallery Director	95%		Gallery components completed on time however the project completion dates were not reached therefore the environmental data not yet available to meet certain contractual requirements for presentation and loan of artworks.

Report of operations for the year ended June 30, 2020

2.7 Actively acknowledge local Aboriginal culture.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.7.1	Engage Aboriginal Elders in Councils strategic planning and include Aboriginal culture, stories and language in projects whenever appropriate.	Travel Smart Officer	100%		Lake Pertobe planning, Maternal and Child Health, Family and Children's Services, the Joint Library and WAG have all undertaken engagement and promoted opportunities to consult and include Aboriginal Elders. However, some of these projects have been placed on hold or delayed as a consequence of COVID-19.
2.7.2	Work with the Eastern Maar on developing Councils partnership role in relation to the establishment of treaty outcomes with the Victorian Government.	Director Corporate Strategies	100%		Action to be rolled into 2021 actions. Eastern Marr concurrently pursuing a native title claim through the Federal Court and the negotiations with the Victorian Government. Legal firm continues to act on behalf of a consortium of South West Victorian Councils to establish the extent of the claim and where current Native Title may or may not have been extinguished on land holdings managed by Local Government on behalf of the Crown. The Victorian Government is pursuing the introduction of Land Use Area Agreements for traditional owners.

2.8 Increase participation opportunities for disadvantaged members of the community.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
2.8.1	Continue to monitor and deliver agreed annual priorities from the 'Early Years Compact'.	Manager Children & Family Services	100%		WCC staff have attended all Early Years Compact meetings held this financial year, progressing the priorities of the compact. COVID-19 has impacted all areas of the Compact and altered priorities over the final months of 2019-2020. Priorities are being reviewed for the next financial year.

Major initiatives

Upgrade of the climate control systems in the Warrnambool Art Gallery and the aquatic centre, AquaZone.

Service	Description	Net cost
		\$'000
		Actual budget
		Variance
Community Support Services	Government funded programs aimed at improving community participation, rural access programs and facilitation of migration to the South West and volunteer programs.	52
		51
		(1)
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.	253
		326
		73
Family Services	This service provides family orientated support services including pre-schools, maternal & child health, child care, counselling & support, youth services, immunisation, family day care.	1,348
		1,063
		(285)
Art and Culture	Provision of high-quality venues where people can see, present and explore the arts, ideas and events provided at the Warrnambool Art Gallery and Light House Theatre.	1,058
		946
		(112)
Library Services	Provision of quality library and information services to the community.	964
		991
		27
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.	431
		475
		44
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.	1,074
		551
		(523)
Health Services	Administrations of legislative requirements pertaining to public health, immunisation and food premises.	61
		110
		49
Festivals and Events Group	Delivers a range of promotions, festivals and events along with attracting events to the city to deliver economic benefits.	1,021
		1,280
		259

Service performance indicators

Service/indicator/measure	Results				Material variations and comments
	2017	2018	2019	2020	
Aquatic facilities					
Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	2.00	3.00	Additional inspection completed in relation to the reopening of the facility after the COVID-19 closure.
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population] facilities	6.86	6.94	6.85	4.37	Closure in July and August 2019 for works on the air handling unit and an upgrade to the water treatment system. Mandatory closure from March 23rd 2020 until a restricted reopening from June 23rd 2020 due to COVID-19 regulation.
Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	New in 2020	New in 2020	\$3.87	<u>Note:</u> From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities', see retired measures.
Animal management					
Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	1.00	
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	88.38%	80.54%	84.24%	19.16%	In prior years, animals rehomed was also included in this measure. This year it has been split out between reclaimed (by the original owner) and rehomed to a new owner. If the two measures are added together, they are in line with the prior years.
Animals rehomed [Number of animals rehomed / Number of animals collected] x100	New in 2020	New in 2020	New in 2020	64.57%	In prior years, animals rehomed was also included in the reclaimed measure. This year it has been split out between reclaimed (by the original owner) and rehomed to a new owner. If the two measures are added together, they are in line with the prior years. <u>Note:</u> New measure for 2019-20 financial year.
Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	New in 2020	New in 2020	New in 2020	\$16.12	<u>Note:</u> This measure is replacing previous 'Cost of animal management service' which was based on cost per number of registered animals, see retired measures.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	New in 2020	0.00%	<u>Note:</u> This measure is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion, see retired measures.

Service performance indicators

Service/indicator/measure	Results				Material variations and comments
	2017	2018	2019	2020	
Food safety					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.38	1.00	1.00	1.00	
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	82.76%	99.28%	99.64%	94.26%	
Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$359.21	\$378.90	\$323.35	\$281.93	Savings were due to a vacancy in the Environmental Health Officer position for a period of 4 months. This role has now been filled.
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] x100	95.35%	100.00%	84.21%	100.00%	Council aim for a 100% target. In 2018-2019 notifications were only identified weeks prior to the period end, with follow up actions completed in the 2019-2020 reporting period. In 2019-20, Council was able to resolve all Non-Compliances outcomes, and hence 100% was achieved.

Service performance indicators

Service/indicator/measure	Results				Material variations and comments
	2017	2018	2019	2020	
Libraries					
Utilisation Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	5.17	4.72	4.49	3.44	The decrease in loans is related to the closure of the library due to COVID-19 from 23 March until 9 June 2020 and then only a partial reopening and no programs run since early March 2020. <i>Note: From 2019-20, this indicator measures the performance of physical library items as a subset of the wider library collection.</i>
Resource standard Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	74.50%	68.40%	69.03%	66.40%	
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	15.56%	14.37%	13.77%	13.87%	
Service cost Cost of library service per population [Direct cost of the library service / Population]	New in 2020	New in 2020	New in 2020	\$21.62	The capital component of the Council's contribution to the Corangamite Library Corporation has been excluded from 2019/20 as per the guidelines. <i>Note: This measure is replacing the previous 'Cost of library service' indicator which measured based on number of visits, see retired measures.</i>
Maternal and Child Health					
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	96.33%	95.64%	99.74%	100.00%	
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$78.56	\$95.57	\$75.13	\$78.44	
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	75.25%	73.63%	76.99%	77.68%	
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	63.75%	61.33%	73.24%	80.00%	

Service performance indicators

Service/indicator/measure	Results				Material variations and comments
	2017	2018	2019	2020	
Maternal and Child Health					
Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	New in 2020	New in 2020	98.62%	

3: Maintain and improve the physical places and visual appeal of the city.



3.1 Enhance movement in and around the city including better connections for cyclists and pedestrians.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.1.1	Consider the recommendations from the Cycling Reference Group and implement any actions adopted by Council.	Coordinator Assets & Development	100%		Cycling reference group Terms of Reference revised and new committee members appointed. Future actions will be ongoing.
3.1.2	Enhance safety at the Promenade through the improvement of sight lines.	Manager Infrastructure Services	100%		Trimming activities for the permitted areas are complete for the financial year. Ongoing work is progressing to develop a native vegetation precinct plan.

3.2 Create a more vibrant city through activating high quality public spaces.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.2.1	Implement the key initiatives of the Open Space Strategy .	Coordinator City Strategy	75%		The South Merri Open Space Precinct Plan is being finalised following a two-month consultation period. The plan is scheduled for adoption by Council in August 2020. Master plans and landscape plans continue to be prepared and are informed by the Open Space Infrastructure guidelines. Council's Infrastructure Team is undertaking a Play Space Strategy, another direct recommendation of the Open Space Strategy. Most uncompleted city-wide strategies are either in progress or ongoing (62%). Implementation of the Open Space Strategy key initiatives is progressing on schedule.
3.2.2	Implement an Open Space Contributions Policy.	Coordinator City Strategy	85%		The Open Space Contributions Policy has been completed in draft form. The draft has been independently peer reviewed, and the recommendations of the peer review are under consideration with the likelihood of further work being required that will have future budget implications.

3.3 Build infrastructure that best suits current and future needs.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.3.1	Complete the Changing Places Facility Project.	Manager, Capacity, Access & Inclusion	100%		The Changing Places facility was completed. Check-list completed by the building surveyor. Facility accredited and certificate of compliance issued.
3.3.2	Develop and adopt a Playspace Strategy.	Manager Infrastructure Services	90%		A draft plan has been prepared. The strategy will be presented to Council in draft, prior to seeking public comment and feedback ahead of the document being adopted.
3.3.3	Progressively plan and renew City Centre streetscapes.	Manager Infrastructure Services	100%		Design work has been completed for Koroit Street - Liebig Street to Kepler Street. Although the action has been completed for the financial year the action is ongoing. Designs will be progressively presented to Council prior to seeking community feedback.
3.3.4	Upgrade of one public amenities building.	Coordinator Building Strategy & Services	100%		The McGennan Car Park public amenity building upgrade project is planned to span two financial years. Project planning is currently under way with construction due to commence in the 2020-2021 financial year.
3.3.5	Develop significant & heritage tree renewal program.	Manager Infrastructure Services	20%		The development of a program has commenced with limited progress due to resourcing issues.
3.3.6	Prepare a strategy and funding model for a long-term tree replacement program.	Manager Infrastructure Services	85%		An Asset Management Plan for trees has been prepared and will be presented to Council for adoption in 2020-2021.
3.3.7	Develop and expand off-street parking areas.	Manager City Amenity	70%		In-principle agreement reached for land purchase for an off-street car parking site in CBD. Report will go to the August 2020 meeting to confirm purchase. Project should be created as a 2020-2021 finalisation.
3.3.8	Complete a review of the City Centre Car Parking Strategy.	Manager City Amenity	70%		Awaiting final draft which was revised due to pandemic impacts on parking arrangements affecting the strategy. The revised strategy is due in August.

3.4 Maintain and enhance existing Council infrastructure.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.4.1	Identify and regularly monitor condition of asset classes.	Manager Infrastructure Services	100%		All planned asset classes have been condition assessed for the financial year.
3.4.2	Investigate funding opportunities to renew heritage assets such as Cannon Hill armaments, the Portuguese monument and Wollaston Bridge.	Manager Infrastructure Services	100%		Wollaston Bridge works completed. Two cannons removed to enable a local contractor and volunteers to begin restoration. Action to continue into 2020-2021.
3.4.3	Update asset management plans for asset classes including drainage, roads, open space, IT, buildings and monuments.	Manager Infrastructure Services	65%		Drainage Asset Management Plan adopted. Buildings & Open Space plans out for community consultation.
3.4.4	Complete service level reviews for parks and gardens and roads and drainage services.	Coordinator Municipal Depot Operations	100%		Service levels reviewed for the financial year. This action is ongoing to ensure service levels are appropriate.

3.5 Advocate for better regional connections.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.5.1	Seek funding for and deliver road safety projects.	Coordinator Infrastructure Management	100%		Funding applications made to the following programs: - Federal Blackspot - Banyan Merri Roundabout - TAC Funding - Ward St Crossing - VicRoads Community Road Safety Grants
3.5.2	Advocate for essential safety and road improvements on the Princes Highway West.	Manager City Amenity	100%		2019-2020 advocacy plan completed with spokesperson position had now transitioned to a community representative.

Report of operations for the year ended June 30, 2020

3.5 Advocate for better regional connections.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
3.5.3	Advocate for improved passenger and freight rail services.	Director City Growth	100%		<p>The \$114 million Warrnambool Line Upgrade includes building a new crossing loop, signalling upgrades and 12 level crossing upgrades. Construction has begun on level crossing upgrades include installing boom gates, bells, flashing lights and improved train detection technology. The level crossing upgrades, delivered by V/Line, are targeted for completion by mid-2020. The broader works as part of the \$114 million upgrade is expected to be complete late 2021. In early July 2020 additional funding was announced by the Commonwealth Government for the Warrnambool Line Upgrade within the Regional Rail Revival Package. It will address cost pressures and enable the project to be completed by the end of 2021. The contract to undertake the main construction phase of the project was awarded to Downer in January 2020. On rail freight matters, the Victorian Government announced \$4 million in June 2020 to extend the Mode Shift Incentive Scheme (MSIS) through to June 30, 2021. Council, as an active member of the Rail Freight Alliance, advocated for the extension of the MSIS in recognition of the important role the Warrnambool Intermodal Terminal plays to move freight by rail to Melbourne.</p>

Major initiatives

Warrnambool Community Dog Park, playground renewal, roundabout at the intersection of Kelp and Timor streets, bridge replacement at Lake Pertobe, beach access replacement.

Service	Description	Net cost \$'000 Actual budget Variance
Asset Maintenance	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.	1,949 1,783 <hr/> (166)
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.	3,072 3,393 <hr/> 321
Regulatory Services	Local laws enforcement including parking fees and fines, public safety, animal management and traffic control.	(457) (835) <hr/> (378)

Report of operations for the year ended June 30, 2020

Service/indicator/measure	Results				Material variations and comments
	2017	2018	2019	2020	
Roads					
Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	57.67	56.56	67.89	58.50	There were much fewer street sweeping requests this year
Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	96.10%	96.40%	96.48%	96.80%	
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$85.73	\$155.90	\$91.05	\$97.30	
Service Cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$6.67	\$7.65	\$8.18	\$6.65	Council underwent a competitive multi-year joint tender process in 2019/20 that has resulted in better value for money. Council has increased the amount of works being completed whilst maintaining a similar cost.
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]	49.00	53.00	58.00	48.00	With road requests down and no change to road condition, this is more likely a reflection on the poor community perception of council as a whole or the effect of the poor condition of the State roads.

4: Develop a smarter economy with diverse and sustainable employment.



4.1 Grow the city's population through local economic growth.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.1.1	Facilitate and promote business support initiatives to grow the local economy.	Coordinator Economic Development	100%		<p>The Economic Development branch has engaged with and supported businesses in response to the impacts of COVID-19 (#GetAroundWarrnambool). The Business Initiatives Grants (BIG) program closed with 49 businesses receiving funding. These grants require businesses to use local businesses, where possible, to implement the initiatives ensuring the funding has a flow on economic benefit in the community.</p> <p>A business concierge service was established on Council's website which links businesses to Government assistance packages, mentoring support, practical advice and mental health connections.</p> <p>Engagement through a series of webinars was conducted along with ongoing engagement across a range of business sectors either through direct contact (phone, email) or a broader survey to assess the impacts of COVID-19.</p>
4.1.2	Provide executive support to implement the Great South Coast Food and Fibre Plan.	Director City Growth	100%		<p>A Great South Coast Food and Fibre marketing campaign was launched in February 2020. Executive support continues to be provided to the Great South Coast Food and Fibre Council.</p> <p>Warrnambool City Council as the auspice for the \$500,000 Victorian Government grant awarded to the Food and Fibre Council recently acquitted the funding and submitted a final report. Key achievements included effective advocacy for water policy reform, three-phase power upgrades, a dedicated website and branding, Communication and marketing plan was completed, food and fibre focus group, and educational and leadership programs developed.</p> <p>The overarching Great South Coast Food and Fibre Plan continues to be relevant and guides the priorities of the group. Some 26 of the 42 initiatives of this plan have either commenced or have been completed. Work is under way to finalise a sustainable funding model for the group, including recently incorporating to broaden access to funding opportunities.</p>

Report of operations for the year ended June 30, 2020

4.1 Grow the city's population through local economic growth.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.1.3	Develop and circulate economic data and analysis to business and industry.	Coordinator Economic Development	100%		Key economic indicators were regularly communicated to Council and the wider business community including building approvals, population growth, unemployment data regularly updated and made available online (www.economyprofile.com.au/warrnambool). A survey and direct business engagement was undertaken to understand the scale and breadth of economic impacts on our circa 2,800 registered businesses as a result of COVID-19. An additional survey is being developed to be distributed in Q1 2020-2021 to get a further data analysis on the economic impacts on businesses as the state moves through restrictions.
4.1.4	Implement Warrnambool - China Strategy to build local business capacity and capability.	Coordinator Economic Development	100%		The Economic Development team secured funding from the Victorian Government to develop and implement a "Building an Asia-capable region" program. This program will be an extension of the China Host program and see businesses in the tourism sector given the opportunity to gain the knowledge, skills, cultural awareness and networks to ensure visitors from ASEAN nations have a meaningful Australian experience which caters to specific cultural needs. Other possibilities to continue to build the local business capacity and capability through the China Strategy in response to the impacts of COVID-19 continue to be explored.
4.1.5	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%		Council has endorsed 62 applicants across the region as part of the GSC DAMA program. Since COVID-19 began impacting the GSC DAMA Region in early March we have still experienced demand for DAMA, but recognise with international borders closed this has slowed some businesses taking on DAMA due to recruitment efforts being impacted. Since early March Council have still endorsed six businesses for a total of eleven positions. A few applicants reduced the number of requested positions in their application due to the borders being closed. This affected the real numbers they need to recruit but they still wanted to obtain their DAMA labour agreement as a part of their longer term recruitment strategy. All of the visa workers recruited to fill these positions were individuals already within the country. This demonstrates that despite international borders being closed there is evidence of internal migration among workers already within Australia who are looking for long term employment and security. Regions like the GSC will need to continue to reach out to this cohort to fill its skills needs as COVID-19 continues to be a presence. We have also fielded inquiries from and are liaising with four dairy farms and two other car dealerships for mechanic positions at present which would bring eight further workers to the region if all proceed. A COVID-19 Impact Statement was requested by and submitted to the Department of Home Affairs in July to reiterate the need for occupations on our skill shortage list and the request for new ones in the areas of aged care, child care and aquaculture.

4.1 Grow the city's population through local economic growth.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.1.6	Deliver Social Housing Planning Project.	Coordinator City Strategy	100%		<p>The Social Housing Planning Project is funded through the Victorian Government's Social Housing Investment Program. The project commenced in July 2019 with the procurement of a social housing consultant. The project, in the final stages, has been informed by extensive stakeholder engagement, data collection and analysis which have identified issues and opportunities to facilitate an increase in social housing in Warrnambool.</p> <p>The project is scheduled for completion in August 2020.</p>
4.1.7	Plan for the development and implementation of precinct structure plans.	Coordinator City Strategy	100%		<p>Development of precinct structure plans is ongoing, with the future growth area east of Aberline Road currently being developed. The Minister for Planning has appointed the Victorian Planning Authority as the Planning Authority for the East Aberline Precinct Structure Plan (PSP). Further detailed technical studies are being commissioned to inform the future urban structure of the PSP and required developer contributions.</p> <p>The Allansford strategic framework plan is under way with the second round of community engagement scheduled to commence in coming months. The Eastern Activity Centre Structure Plan has been implemented via Planning Scheme Amendment C103, approved by the Minister for Planning and gazetted on July 9, 2020.</p>

4.2 Encourage more sustainable local business

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.2.1	Continue to facilitate and implement place-making initiatives.	Coordinator Economic Development	100%		<p>Facilitating key place-making activation and engagement activities by partnering with industry to host regular networking and community idea 'pitch' nights which supports a community member implementing a placemaking idea in the city. Economic Development worked with events and communications teams to bring a second edition of LoungeFest to the city over the Queen's birthday weekend. Solstice Searching, a neon sculptures event, was also brought to the city.</p>
4.2.2	Support the development of new tourism and economic development proposals, including Crown Land proposals where appropriate.	Director City Growth	100%		<p>Engagement occurring with the Victorian Government regarding the proposed independent statutory authority to manage coastal Crown land and marine waters along the Great Ocean Road. Advice and support provided to a number of potential investors at preliminary planning stage across residential, industrial and visitor economy sectors.</p>
4.2.3	Implementation of Development Plans and Developer Contributions Plans.	Coordinator City Development	100%		<p>Development Plan applications and Development Plan amendments continue to be processed and determined by Council including Logans Beach Coastal Village (addendum for Stages 6 & 7) and the implementation of Hopkins Heights Development Plan. Development contributions have been received and acknowledged for the North Merri Development Contributions Plan and North Dennington Development Contributions Plan. Also developing guidance notes for applicants on how to prepare a Development Plan.</p>
4.2.4	Deliver a business case for a Business Incubator/ Accelerator to support growth of existing companies or start-ups in our region.	Coordinator Economic Development	100%		<p>With a \$284,000 grant secured through Victorian Government's LaunchVic program, Warrnambool City Council coordinated "The Ideas Place", a 12-month program to engage and support local entrepreneurial activity across Warrnambool, Moyne and Corangamite municipalities. This initiative also formalised a partnership with South West TAFE with the use of its entrepreneurial hub The Hive, launched in March 2020.</p>

Report of operations for the year ended June 30, 2020

4.3 Enhance the visitor experience.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.3.1	Support and advocate for the implementation of initiatives in the Shipwreck Coast Master Plan.	Director City Growth	100%		Over \$700 million in private sector investment is in planning. Victorian and Commonwealth funding of \$108 million has been secured for implementation of Stage 2 of the Shipwreck Coast Master Plan. \$153 million for Great Ocean road maintenance. Parks Victoria has commenced Stage 1 works which will deliver new lookout structures at the Saddle and the Blowhole, Port Campbell National Park; a new pedestrian bridge over Port Campbell Creek in Port Campbell; better telecommunications; and a wi-fi and digital interpretation platform to enhance the experience for visitors.
4.3.2	Support the activities of the Great Ocean Road Regional Tourism Board.	Director City Growth	100%		As the COVID-19 situation continues to evolve, Great Ocean Road Regional Tourism (GORRT) is providing support to the industry across the region via information updates, business support, government relief packages, and webinars.
4.3.3	Continue to implement actions of the 2018-2022 Events Strategy.	Service Manager, Events & Promotion	100%		Delivery of Beachfest 2020 with high participation across 27 different activities over three weeks in January. Significant disruption to events calendar programming occurring due to COVID-19 restrictions. Events team offering support and advice to affected events organisers. Virtual concert (Lounge Fest) was organised for Easter featuring 20 musicians as part of the #GetAroundWarrnambool initiative and drew a wide audience.
4.3.4	Partner with Great Ocean Road Regional Tourism (GORRT) and other stakeholders to implement the recommendations of the Warrnambool Destination Action Plan.	Director City Growth	40%		The Warrnambool Destination Action Plan is to be reviewed with the support of GORRT. Other visitor economy stakeholders will be invited to participate in the review with the expectation that a broader base of Warrnambool's visitor economy will be engaged and lend support towards implementation of the updated Destination Action Plan. Since March, 2020, GORRT and Council resources have been prioritised towards managing COVID-19 impacts on local and regional tourism businesses.
4.3.5	Deliver a population attraction campaign supported by a Victorian Government grant.	Coordinator Economic Development	100%		Since receiving Victorian Government funding to develop a population attraction campaign targeting retirees and baby boomers to relocate to Warrnambool, the Economic Development unit has undertaken research-based initiatives via focus groups and surveys within the target market both inside and outside the city. This research has led the development of a range of targeted marketing campaign activities including the development of a website, advertisements and post code targeted campaigns to draw interest from the target market to relocate to Warrnambool.
4.3.6	Produce and implement a Strategic Plan for the Holiday Parks (Surfside & Shipwreck Bay).	Director City Growth	60%		First draft nearing completion.

4.4 Advocate for and improve infrastructure including transport, services and digital infrastructure.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.4.1	Provide advocacy support material and report on advocacy outcomes.	Manager Communications	100%		Advocacy materials updated and provided on request. Council was recently successful in obtaining a grant for the installation of a new roof above the saleyards.
4.4.2	Participate in regional leadership groups and alliances to advocate for improved transport, services and digital infrastructure.	Director City Growth	70%		The Australian Government has added the Princes Highway from Colac to the South Australian border to the National Land Transport Network, recognising the critical importance of the key freight link to the Victorian and national economies. The Australian Government's \$300 million 2019/20 budget commitment to the Princes Highway in Victoria includes the \$60 million investment in upgrades between Warrnambool and Port Fairy.

4.4 Advocate for and improve infrastructure including transport, services and digital infrastructure.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.4.3	Enhance the outcomes of Councils regional partnership role and ensure the appropriateness of outcomes for Warrnambool.	Director Corporate Strategies	100%		Key focus of advocacy on a post-COVID-19 economic recovery. Council continues to pursue key stimulus measures to be implemented in the regions including a strong tertiary education sector, major infrastructure projects such as Princess Highway West upgrade and the Hydrogen Futures pilot projects at Deakin.
4.4.4	Develop a Smarter Cities Plan to understand Councils role in the evolution of technology enhancing the growth of a regional city.	Director Corporate Strategies	100%		Ongoing action. Implementation has been delayed with Victorian Government necessarily responding to the COVID-19 crisis. However, the use of technology and this project's genesis in remote partnering mean it remains set to proceed. The development of the shared enterprise system between Warrnambool, Corangamite and Moyne will provide for a platform to enable greater connectivity to the community and the use of big data that is the foundation of work being created in smart cities. Scoping of a shared Information Technology Strategy is being completed to better inform priorities for the organisations involved and the plan for improving a smarter cities focus across the region.

4.5 Create stronger links between education providers, business and industry

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
4.5.1	Deliver education and advisory services to business and industry to raise awareness of building regulation requirements.	Coordinator City Development	100%		Recent changes to the swimming pool regulations has been communicated to the community via Council's website, media and direct mail to affected residents. The information provided includes an overview of the swimming pool regulation changes and associated responsibilities.
4.5.2	Continue to partner on projects and initiatives with Deakin University Warrnambool and South West TAFE.	Coordinator Economic Development	100%		Warrnambool City worked with Deakin University and South West TAFE on a range of regional initiatives including IdeasPlace, China Host program, international student attraction, International Student Guide as well as coordinating formal welcomes for requested student and official delegations. Council led the application for Deakin University research project - Great South Coast Economic Futures which is exploring large commercially feasible projects across a range of sectors - energy, manufacturing, water and tourism. Council formed a Memorandum of Understanding with South West TAFE on the The Hive regional business co-working and incubation project. Commonwealth Government funding was secured for Stage 1 of the hydrogen energy precinct led by Deakin and supported by Council.

Report of operations for the year ended June 30, 2020

Major initiatives

Population attraction campaign targetting areas of metropolitan Melbourne where people are considering a seachange; successful application for grant to fund a roof over the livestock exchange; shared enterprise system between Moyne, Corangamite and Warrnambool municipalities.

Service	Description	Net cost \$'000 Actual budget Variance
Statutory Building Services	This service provides statutory building services to the Council community including processing of building permits.	118 134 16
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.	1,087 1,174 87
Warrnambool Livestock Exchange	Provides a regional livestock marketing centre that meets the needs of the stock agents, buyers and producers.	(370) (169) 201
Holiday Parks	Provides affordable holiday accommodation that is modern, clean and well maintained in a family orientation atmosphere.	(826) (865) (39)
Flagstaff Hill Maritime Village & Visitor Information Centre	A major regional tourist attraction and visitor information centre that includes a recreated heritage village which displays the maritime history of the region and features the "Shipwrecked" Sound & Light laser show.	750 741 (9)
Economic Development	Includes the industry and business support, research and statistical analysis and project development which underpin economic development.	837 915 78
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.	177 196 19
Port of Warrnambool	Council manages the Cities port facility on behalf of the State Government.	0 0 0

Service/indicator/measure	Results				Material variations and comments
	2017	2018	2019	2020	
Statutory planning					
Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	45.00	38.00	37.00	35.00	
Service standard <i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	88.54%	93.95%	93.20%	91.97%	
Service cost <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$1,807.90	\$2,077.01	\$1,928.14	\$1,806.07	
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	50.00%	100.00%	50.00%	0.00%	One application was determined by VCAT during the 2019-20 financial year. Councillors formed a position to not support the application, VCAT did not uphold that position and approved the application.

5: Practice good governance through openness and accountability while balancing aspirations with sound financial management.



5.1 Provision of opportunities for the community to actively participate in Council's decision-making through effective promotion, communication and engagement.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.1.1	Provide community engagement opportunities relating to Council projects as required and funded.	Travel Smart Officer	100%		The MCPP has provided guidance, support and advice regarding engagement planning and processes for Lake Pertobe Renewal Project, Merri River Precinct Plan and stakeholder and partnership engagement for a range of community projects. Internal engagement was undertaken to seek feedback from families on the Lake Pertobe Playground Concept.

5.1 Provision of opportunities for the community to actively participate in Council's decision-making through effective promotion, communication and engagement.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.1.2	Review the approach to Council meeting procedures to improve the accessibility and transparency of meetings.	Director Corporate Strategies	100%		Council meetings are now livestreamed to provide an alternative to public attendance at meetings which was not possible under COVID-19 restrictions. Draft Governance Rules were released for public exhibition along with a Draft Transparency Policy. Each of these documents chronicles an improved level of participation and transparency in the local democratic process. A new community engagement policy will be formed with a newly elected Council to meet the directions of the new Act and improve the opportunities for participatory democracy in the major decisions of Council.
5.1.3	Prepare for the 2020 Council elections.	Director Corporate Strategies	100%		Election preparation is on track. The Victorian Electoral Commission (VEC) has moved from face-to-face contact to electronic-only contact. Finalisation of the voters roll and VEC accommodation is complete. Candidate training and information sessions have been locked in with an electronic delivery method confirmed. An Election Period Policy has been updated to reflect changes to the Local Government Act.
5.1.4	Report on the extent and engagement with Councils communications measures.	Manager Communications	100%		The final quarter included the release in full of the 2020 Community Satisfaction Survey featuring data on engagement levels and preferred methods of communication. Community consultation was one of the seven core measures in the survey and this saw a drop in performance of five points to 42 in 2020.

5.2 Develop policies, strategic plans and processes to address local and regional issues, guide service provision and ensure operational effectiveness.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.2.1	Identify and report on changes to Council operations, policies and procedures in line with the new Local Government Act (if enacted).	Director Corporate Strategies	100%		All policies required in the first phase of the new Local Government Act have been released for consideration and comment. These policies have either been adopted or are due for adoption prior to the September 1, 2020, deadline.
5.2.2	Support reviews of Councils Governance Framework (systems and policies)	Director Corporate Strategies	100%		Review of relevant policies completed. A review of the governance role was undertaken and the position was advertised.
5.2.3	Drive the evolution of the Health and Safety Management System to meet the requirements of the MAV Self-Insurance Scheme via improved return-to-work processes, OHS training calendar implementation and increased organisation engagement.	Health & Safety Project Officer	50%		All actions identified in WorkSafe endorsed remedial action plan completed by the due date of June 30, 2020.
5.2.4	Lead the delivery of an organisational structure review in order to remain a contemporary employer and provide the community best value service delivery.	Manager Organisation Development	100%		Consultant engaged to undertake review. Meetings held with all Directors and Managers and relevant information provided for consultant to undertake review. Final report was submitted to the Chief Executive Officer and Executive Management Team for review and consideration.
5.2.5	Implement workplace actions to educate and build capacity of Council staff regarding gender and diversity equity and family violence issues.	Manager Organisation Development	100%		The Gender Equity Bill passed parliament on 25 February 2020. A Gender Audit subsequently commenced in line with the requirements of this Bill which will inform the development of a WorkForce Plan having regard to gender equity, diversity and inclusiveness. The Learning and Development team is researching relevant training programs to support this process.

Report of operations for the year ended June 30, 2020

5.2 Develop policies, strategic plans and processes to address local and regional issues, guide service provision and ensure operational effectiveness.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.2.6	Review and embed staff training, development and wellbeing programs in order to drive enhanced employee engagement and culture.	Manager Organisation Development	100%		Revamped staff performance review and appraisal system now embedded. Training is being scheduled in line with the findings of the training needs analysis. Wellbeing committee was established at the Depot and a wellbeing procedure was developed in line with the review of the OHS management System.
5.2.7	Undertake human resource function process mapping exercise in order to identify opportunities to enhance current HR practices.	Manager Organisation Development	100%		Ongoing identification and implementation of current best practice human resource systems continues.
5.2.8	Develop a Municipal Early Years Strategy.	Manager Children & Family Services	5%		Not progressing due to lack of funding opportunities at this time.
5.2.9	Improve record-keeping compliance by improving the use of Council's Electronic Content Management (ECM) system.	Manager Information Services	100%		Education of staff regarding effective use of ECM continues. Specification of metric reports for ECM has commenced.
5.2.10	Refresh the IT Strategy.	Manager Information Services	35%		The status of the project is unchanged however Corangamite Shire officers have indicated informally that there is value in Warrnambool, Moyne and Corangamite working together on an IT strategy.
5.2.11	Participate in shared services project - TechnologyOne - with Moyne and Corangamite shires.	Director Corporate Strategies	100%		Action ongoing. Final addendum to be submitted mid-August on advice from Local Government Victoria (LGV). Presentation to LGV board postponed until August-September due to resourcing constraints at LGV.
5.2.12	Improve the resilience of IT Systems.	Manager Information Services	100%		A total of 130 new devices were deployed. Work done to facilitate Council staff working from home during the Covid-19 pandemic. Most of Council's pool of laptops has been deployed and a large number of WCC staff personal devices have been configured for working from home. Dual monitors have been deployed where required. Instructions provided to staff on: showing two windows on one screen; making multi-party phone calls from a smartphone; conferencing applications; cleaning and disinfecting IT equipment; keeping in touch with your teams working remotely; being aware of COVID-19 scams. Zoom has been deployed for video conferencing. License for Fortinet firewall has been upgraded to 200Mbps and Aussie Broadband corporate internet connection has been upgraded to 250Mbps to facilitate increased numbers of staff working from home. Radio links to remote sites have been tuned for improved performance.
5.2.13	Demonstrate efficiencies via enhanced business processes and the improved utilisation of IT resources.	Manager Organisation Development	100%		Efficiencies achieved in the incident reporting and investigation space via better use of the Elumina software. The move to Ci Anywhere in has resulted in efficiencies in general human resources processing and self service. The rostering software will see efficiencies in rostering and payroll.
5.2.14	Coordinate, prepare and have adopted the Council Plan 2017-2021 (revised 2020).	Manager Communications	100%		Council Plan 2020 revision completed, adopted by Council and submitted to the Local Government Minister. Plan included references to the impact of COVID-19 on Council services and operations.

5.2 Develop policies, strategic plans and processes to address local and regional issues, guide service provision and ensure operational effectiveness.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.2.15	Partner with the community implement the W2040 Community Plan.	Travel Smart Officer	70%		Manager position currently vacant. Focus is on maintaining community campaigns at the local level in this financial year, with four community campaigns being supported - Better Buds (assistance with data collection and reporting), Wise Warrnambool (updating of local waste and recycling guide), Merri River Structure Plan (assistance with consultation) and W2040 20 Activities in 20 Days, COVID-19 campaign- partnering with local businesses and artists to support the Warrnambool community through May which focused on mental health and supporting local businesses.
5.2.16	Embed and align Warrnambool 2040 (W2040) goals within Council's strategic planning and reporting processes.	Travel Smart Officer	100%		The essential alignment work that can be completed at this point has concluded. Once staff are in place the next stage will commence.

5.3. Ensure financial sustainability through effective use of Council's resources and assets and prudent management of risk.

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.3.1	Review Council-owned property with consideration of rental agreements, property valuations and disposal of surplus land.	Senior Revenue Officer	100%		Actions on land surplus to needs is ongoing. COVID-19 impact has seen requests for rental deferment, revenue team is working closely with tenants to provide support.
5.3.2	Review and update the Long Term Financial Plan to ensure Council remains financially sustainable into the future.	Manager Financial Services	100%		Long-term financial plan completed as part of the budget process. New modelling tool to be tested and long-term financial plan information to be updated as the new financial year progresses to reflect the impacts of COVID-19 on both the short and long-term budgeting.
5.3.3	Collaborate with other Councils to explore in-house risk services or contracted services that can be shared at a regional level to minimise costs and maximise the value for money for the community.	Director Corporate Strategies	100%		Ongoing action Shared services are being considered across all corporate functions as Part of the Rural and Regional Councils transformation program.
5.3.4	Embed risk management within Council to influence key strategic and operational decision-making.	Coordinator Risk Management	100%		The newly adopted strategic risks are included in Council's enterprise risk register (RiskWare). This register enables both strategic and operational risks to be systematically monitored and reviewed and will aid with decision making.
5.3.5	Ensure effective Business Continuity Planning (BCP) is in place.	Coordinator Risk Management	100%		Council's Business Continuity Plan and Directorate Sub-Plans were recently updated following completion of the Business Impact Analysis review. All documents are accessible to the Business Recovery Committee and their proxies via the App 'Docs on Tap'. Annual Business Continuity test was conducted late 2019.
5.3.6	Coordinate, prepare and have adopted Councils Strategic Resource Plan.	Manager Financial Services	100%		Strategic Resource Plan adopted on July 6, 2020.
5.3.7	Coordinate, prepare and have adopted Councils Annual Budget.	Manager Financial Services	100%		Annual budget adopted on July 6, 2020.

Report of operations for the year ended June 30, 2020

5.4 Deliver customer-focused, responsive services

Action Code	Action Name	Responsible Officer	Progress	Traffic Lights	Comments
5.4.1	Maintain and implement the Home Support Program continuous improvement plan and self-assessment tool.	Service Manager Home Support	100%		Home Support Continuous Quality Improvement Plan review completed and aligned with Aged Care Quality Standards self-assessment.
5.4.2	Conduct a review of community housing assets as they become vacant and undertake a broader review of Council's community housing program.	Manager City Amenity	50%		Discussions progressing with the Victorian Government. Council will be briefed as more information is available.
5.4.3	Enhance organisational awareness of Victoria's Child Safe Standards.	Director Corporate Strategies	35%		New delivery method to be scoped with many staff now working remotely. learning and development looking at utilisation of electronic learning hub to deliver project. Project overdue.
5.4.4	Review Council's complaint handling processes in line the draft Local Government Act changes and Ombudsman's guidelines.	Director Corporate Strategies	80%		Review under way, draft being completed. Prioritisation of policies to adopted in first phase of Local Government Act implementation have been completed first.
5.4.5	Undertake a review of the Customer Service Strategy 2019-2020 to establish timeframes and responsibilities against the actions identified within the plan.	Senior Revenue Officer	100%		The Customer Service Strategy is in the PULSE reporting system and progress against the plan is being monitored.

Major initiatives

Review Customer Service Strategy; formal adoption of the Warrnambool 2040 long-term community plan; review of Council-owned property including land surplus to Council needs.

Service	Description	Net cost
		\$'000
		Actual budget
		Variance
Elected Council	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.	403
		585
		182
Governance & Risk	Responsible for supporting good governance within Council and implementing the Corporate Risk Management Framework, managing Council's insurance portfolio and providing internal support on insurance matters to council officers.	895
		697
		(198)
Executive Services	Manages and facilitates the Council governance service, implementation of Council decisions and policies and compliance with the legislative requirements. Also includes media & marketing.	992
		996
		4
Revenue & Customer Service	Provides a complete service in revenue collection, property management and a customer interface for various service units and a wide range of transactions. Includes contract valuation service.	852
		893
		41
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.	2,287
		2,178
		(109)
Organisation Development	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 and training.	844
		965
		121
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, insurances, overhead costs including utilities and unallocated grants commission funding.	(1,539)
		(1,330)
		209
Depreciation	Depreciation is the allocation of expenditure write down on all of Council's assets over their useful lives.	12,385
		12,871
		486

Service Performance Indicators

Service/indicator/measure	Results				Material variations and comments
	2017	2018	2019	2020	
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	11.95%	13.64%	5.19%	12.68%	The increase in 2019-2020 is a result of a number of confidential staffing matters that were resolved at meetings closed to the public.
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	55.00	50.00	47.00	42.00	A number of high profile issues have impacted on the community's perception of Council listening to community views.
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) × (Number of Councillors elected at the last Council general election)] x100	97.14%	96.99%	90.68%	90.48%	
Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$49,133.00	\$48,047.00	\$56,627.94	\$42,908.86	The 2018/19 financial year included the costs associated with the recruitment of a new CEO. Council has reduced costs in 2019/20 by providing electronic agendas and saving on printing/paper costs.
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]	51.00	46.00	48.00	38.00	A number of high profile issues have been prevalent over the previous year, impacting the community's perception of Council listening to community views.

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 such as ward meetings and the ability to make submissions to Special Committees of council.

Council's formal decision-making processes are

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

Meetings of council

Council conducts open public meetings at the Civic Centre, 25 Liebig Street, Warrnambool, on the first 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, make a submission or speak to an item.

Over 2019-2020 Council held the following meetings:

- 10 Ordinary meetings;
- 5 Special meetings;
- 6 Committee of the Whole meetings; and
- 37 Councillor briefing sessions.

The table below provides a summary of councillor attendance at 2019-2020 council meetings and special council meetings.

Councillor	Ordinary Council meetings	Annual/special meetings	Committee of the Whole meetings	Councillor briefings
Cr Robert Anderson	10/10	5/5	6/6	37/37
Cr Kylie Gaston	10/10	5/5	6/6	35/37
Cr Sue Cassidy	10/10	5/5	6/6	34/37
Cr Tony Herbert	9/10	5/5	5/6	33/37
Cr Peter Hulin – resigned 12/2/2020	6/7	2/2	4/4	21/25
Cr Michael Neoh	9/10	5/5	5/6	33/37
Cr David Owen	6/10	3/5	4/6	31/37
Cr Peter Sycopoulis – from 11/3/2020	2/2	3/3	1/1	12/12

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Council committees

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

- Councillors
- Council staff
- Other persons

- Any combination of the above.

Council has one Special Committee, the Committee of the Whole, comprising the seven Councillors.

Council also has a number of advisory committees. The following table contains a list of these committees and the purpose for which each committee was established

Special committee	Councillors	Officers	Other	
International relations advisory committee	2	-	Up to six	To develop activities such as student exchange, teacher exchange, citizen exchange school language programs, cultural and sporting exchange, community involvement. To enhance Warrnambool's economy through improved business, trade and tourism links. To support Council in hosting international delegations where appropriate. To consider and provide advice to Council on sister city policy, strategy, current issues or trends. To consider and provide advice to Council on general international matters where appropriate.
Environment and Planning Advisory Committee	1	-	Up to six	To provide advice to Council on environment and sustainable matters; To assist Council in the implementation of sustainability and environmental initiatives and projects; To assist Council in the implementation of the Green Warrnambool Plan; and, To provide advice to Council in relation to conservation and enhancement of the urban landscape.
South-West Victorian Livestock Exchange	1	-	Comprising representatives from the sale agents, stock owners, stock transport industry and a general community representative.	Provide advice in relation to the management and operation of the Warrnambool Livestock Exchange. Provide a conduit for information between the Warrnambool City Council, saleyards management, stock agents, buyers, sellers, transporters, other stakeholders and the community.
Warrnambool Australia Day Advisory Committee	1	-	4	To provide advice and recommendations around the Warrnambool Australia Day awards To advise Council on matters relating to the economy of Warrnambool and the Great South Coast.
Economic Development Advisory Committee			5	To advise Council on matters relating to the economy of Warrnambool and the Great South Coast. To discuss new initiatives and major projects that support the Economic Development and Investment Strategy To review new initiatives using an agreed assessment model To review feasibility studies and business cases in line with Council priorities; and To act as a reference group and provide recommendations to Council on matters that fall within the Committees Terms of Reference, or are otherwise consistent with the intent and purpose of the Economic Development and Advisory Committee.
Visitor Economy Advisory Committee	2	2	Up to eight	To provide expert advice and recommendations on all tourism-related matters; • Conduct tasks and projects to strengthen the visitor economy on WCC behalf; • Build and enhance relationships and partnerships of the visitor economy; and • Collect, evaluate and determine trends and outcomes to enable evidence based advice

Special committees cont'	Councillors	Officers	Other	Purpose
Audit and Risk Committee	2	-	3	Oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.
Health and Wellbeing Advisory Committee				Provide advice to Council on the development, review and implementation of the Warrnambool CityHealth and Wellbeing plan and associated action plans.

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 20, 2017, Council adopted a revised Councillor Code of Conduct which is designed to assist Councillors to:

- Act with integrity
- Impartially exercise their responsibilities in the interests of the local community
- Not improperly seek to confer an advantage or disadvantage on any person
- Avoid conflicts between their public duties as a Councillor and their personal interests and obligations
- Act honestly and avoid statements (whether oral or in writing) or actions that will, or are likely to, mislead or deceive a person
- Treat all persons with respect and have due regard to the opinions, beliefs, rights and responsibilities of other Councillors, Council officers and other persons
- Exercise reasonable care and diligence and submit themselves to the lawful scrutiny that is appropriate to their office
- Endeavour to ensure that public resources are used prudently and solely in the public interest
- Act lawfully and in accordance with the trust placed in them as a Councillor
- Support and promote these principles by leadership and example and act in a way that secures and pre-serves public confidence in the office of Councillor.

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 2019-2020, 49 conflicts of interest were declared at council and Special Committee meetings and briefings.

Type of meeting	No. Of Councillor conflicts declared
Ordinary	15
Special	0
Closed	5
Briefing	29

Councillor allowances

In accordance with Section 74 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. Warrnambool City Council is recognised as a category two council.

The Minister for Local Government approved an adjustment factor increase of 2% to the Mayoral and Councillor allowances, effective December 1 2019, under section 73B(4) of the Local Government Act 1989.

For Category 2 councils, including Warrnambool City Council, this meant that Councillors were entitled to be paid up to \$26,245 per annum and Mayor, up to \$81,204 per annum.

Report of operations for the year ended June 30, 2020

Councillor expenses

In accordance with Section 75 of the Act, council is required to reimburse a councillor for expenses incurred whilst performing his or her 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 the expenses including reimbursement of expenses for each councillor and member of a council committee paid by the council for the 2019-2020 year are set out in the following table.

	Allowances (including superannuation) \$	Phone \$	iPad \$	Accommodation \$	Meals \$	Training \$	Travel \$	Memberships \$	Airfares \$	Total \$
Cr Kylie Gaston	28,479.61	541.88	240	228.81	63.18	500.00	85.45	0	0	30,138.93
Cr Michael Neoh	28,479.61	534.58	180	0	0	0	0	0	0	29,194.19
Cr Peter Hulin	18,900.28	309.41	240	0	0	0	0	0	0	19,449.69
Cr David Owen	28,479.61	262.56	240	0	0	0	0	0	0	28,982.17
Cr Robert Anderson	28,479.61	296.71	240	0	0	0	0	0	0	29,016.32
Cr Susan Cassidy	28,479.61	392.41	240	375.47	0	473.49	54.55	750.00	0	30,765.53
Cr Tony Herbert	88,119.53	312.10	240	2,669.94	269.94	350	218.20	0	1,939.20	94,118.60
Cr Peter Sycopoulis	7,184.46	104.08	60	0	0	0	0	0		7,348.54
Total	249,417.86	2,753.73	1,680.00	3,274.22	332.82	1,323.49	358.20	750.00	1,939.20	269,013.97

Management

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

Audit committee

The Audit Committee's role is to oversee and monitor the effectiveness of council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit Committee consists of three independent members: Mr Rob Wallis (chair), Ms Karyn Cook and Mr Dennis Farley served on the committee for the duration of the 2019-2020 financial year.

Independent members are appointed for four-year term, with a maximum of three terms. The chair is elected by the Council.

The Internal Auditor, Chief Executive Officer, Director Corporate Services, Manager Organisation Development, Manager Governance and Risk and Manager Financial Services attend all Audit Committee meetings. Other management representatives attend as required to present reports. The external auditors attend in May and August each year to present the audit plan and independent audit report.

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

Internal audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across council. The department is jointly resourced by an in-house Internal Auditor who has extensive local government experience and an external provider. A risk based Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers council's risk framework, the council plan, the impact of any change on operations, systems or the business environment; prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit Committee annually.

The Internal Auditor attends each Audit Committee meeting to report on the status of the SIAP to provide an update on the implementation of audit recommendations and to present findings of completed reviews.

All audit issues identified are risk rated. Recommendations are assigned to the responsible Manager and tracked in council's performance management system. Managers provide quarterly status updates that are reviewed by the Internal Auditor and reported to the Executive Management Group and the Audit Committee. Quality assurance is measured through client satisfaction surveys for each review, the annual Audit Committee self

assessment, completion of the internal audit plan and benchmarking against other internal audit functions.

External audit

Council is externally audited by the Victorian Auditor-General. For the 2019-20 year the annual external audit of council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the May and August Audit Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

Risk management

In February 2015, council adopted its Risk Management Policy in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines. The Risk Management Policy contains the following objectives:

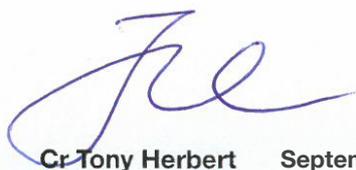
- We will apply a coordinated and integrated approach to risk management across Council. Consistent with the principles of AS/NZS ISO Standards.
- Council through its Audit and Risk committee shall ensure the establishment, implementation and ongoing review of the Councils risk management framework, internal compliance and control systems.
- Risk management will be an integral part of planning and decision making processes.
- We will adopt risk management strategies which promote confidence in the achievement of optimal business & community outcomes.
- We will establish a culture of risk consciousness with-in our organisation and promote risk awareness with our stakeholders.
- Communication within the stakeholder community in relation to the identification and management of risk is encouraged.
- We will develop and continually improve risk management practices based on established standards and industry practice.
- We will apply a coordinated and integrated approach to risk management.
- There is accountability assigned to all those with risk management responsibilities.
- Council staff will be provided with the necessary training to allow them to undertake their risk management duties.
- All staff with risk management roles and responsibilities are provided with the necessary authority to undertake these responsibilities.
- We will extend our risk management capabilities to our agents (contractors and business partners) to enhance management of their project risks, or use of their policies and procedures if considered suitable.

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	Date adopted	Comment	Status
Community engagement policy	5/06/2017		<input checked="" type="checkbox"/>
Community engagement guidelines	17/01/2015		<input checked="" type="checkbox"/>
Strategic Resource Plan	6/07/2020	Extension of time to lodge the Council Plan, Strategic Reason Plan and Budget.	<input checked="" type="checkbox"/>
Annual budget	6/07/2020	Extension of time to lodge the Council Plan, Strategic Reason Plan and Budget.	<input checked="" type="checkbox"/>
Asset management plans		Asset Management Strategy 03/04/2014, Bridges Asset Management Plan 05/06/2017, Road Management Plan 05/06/2017, Pathways Asset Management Plan 06/11/2017, Asset Management Policy 02/12/2019, Asset Management Strategy 04/05/2020	<input checked="" type="checkbox"/>
Rating strategy	1/05/2017		<input checked="" type="checkbox"/>
Risk policy	2/02/2015		<input checked="" type="checkbox"/>
Fraud policy	5/06/2016	New policy adopted 6th July 2020	<input checked="" type="checkbox"/>
Municipal emergency management plan	6/11/2017		<input checked="" type="checkbox"/>
Procurement policy	5/08/2019		<input checked="" type="checkbox"/>
Business continuity plan	27/06/2018		<input checked="" type="checkbox"/>
Disaster recovery plan	27/06/2018		<input checked="" type="checkbox"/>
Risk management framework	2/05/2016		<input checked="" type="checkbox"/>
Audit Committee	9/10/2006		<input checked="" type="checkbox"/>
Internal audit	1/01/2019		<input checked="" type="checkbox"/>
Performance reporting framework	1/07/2016		<input checked="" type="checkbox"/>
Council Plan reporting		05/08/2019, 04/11/2019, 02/03/2020, 04/05/2020	<input checked="" type="checkbox"/>
Financial reporting		02/09/2019, 04/11/2019, 03/02/2020, 04/05/2020	<input checked="" type="checkbox"/>
Risk reporting		14,08/2019, 14/11/2019, 02/03/2020, 12/05/2020	<input checked="" type="checkbox"/>
Performance reporting		02/09/2019, 04/11/2019, 03/02/2020, 04/05/2020	<input checked="" type="checkbox"/>
Annual report	7/10/2019		<input checked="" type="checkbox"/>
Councillor Code of Conduct	20/02/2017		<input checked="" type="checkbox"/>
Delegations		6/8/2018, 4/3/2019	<input checked="" type="checkbox"/>
Meeting procedures	2/05/2016		<input checked="" type="checkbox"/>

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



Cr Tony Herbert September 14, 2020

Mayor

Warrnambool City Council



Ms Vikki King

September 14, 2020

Acting Chief Executive Officer

Warrnambool City Council

Statutory information

The following information is provided in accordance with legislative and other requirements applying to council. Documents available for public inspection

In accordance with regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for public inspection for the purposes of section 222 of the Act at 25 Liebig Street, Warrnambool:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by councillor or any member of council staff in the previous 12 months
- minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- a document containing details of all leases involving land which were entered into by the council as lessor, including the lessee and the terms and the value of the lease
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- a list of donations and grants made by the council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best value

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

Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through its Procurement Policy.

The following Best Value initiatives were undertaken during 2019-2020:

- budget process – development of guidelines and processes for fees and charges
- business planning – development and implementation of integrated approach to business planning

Carers recognition

In accordance with the Carers Recognition Act 2012, council is required to report annually on its care measurement obligations under Section 11 of that Act. Council has taken all practicable measures to comply with

its responsibilities outlined in the Carers Recognition Act 2012. Council has promoted the principles of that Act to people in care relationships who receive council services, to people in care relationships, and to the wider community by:

- Distributing printed material through relevant council services; and,
- Providing information to organisations represented in council/community networks.

Contracts

During the year council enter into 10 contracts valued at \$150,000 or more for services and nine contracts valued at \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act.

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

Disability Act

In accordance with section 38 of the Disability Act 2006, Council has prepared a Disability Action Plan. Details on the implementation of the Disability Action Plan are contained in this report.

Domestic Animals Act

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

Food Act

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. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the Freedom of Information Act 1982.

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

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

Requests for documents in the possession of council

should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email.

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

Council received nine freedom of information requests in 2019-2020.

Further information regarding FOI can be found at www.ovic.vic.gov.au and on the Warrnambool City council website.

Protected Disclosure Act

Protected disclosure procedures

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

The 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 on council's website.

During the 2019-2020 year, one disclosure was notified to council officers appointed to receive disclosures under the Act, or to IBAC.

Developer Contribution Plan land, works, services or facilities as works in-kind for 2019-2020				
DCP name and year approved	Project ID	Project description	Item purpose	Project value
North of the Merri River DCP - 2011	DRO2 - Catchment 1	Main drainage pipe system, including pits, GPT and open drains	Drainage for catchment	\$101,137
	DRO4 - Catchment 3	Construct wetland, main drainage pipe system, pits, gross pollutant trap and open drains	Drainage for catchment	\$153,605
	DRO1	Floodplain - 1 in 100	Land project	\$204,330
Total				\$459,072

Road Management Act

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.

Planning and Environment Act

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.

Information about infrastructure and development contributions is disclosed in the following tables.

Infrastructure and development contributions

For the 2019-2020 year the following information about infrastructure and development contributions is disclosed in the tables below.

Total Developer Contribution Plan levies received in 2019-2020	
Developer Contribution Plan, year approved	Total levies received
North of the Merri, 2011	\$665,338
North Dennington, 2014	-
Total	\$665,338

Total Developer Contribution Plan contributions received and expended to date				
DCP name and year approved	Total levies received	Total levies expended	Total works in-kind accepted	Total Developer Contributions Received (levies and work in-kind)
North of the Merri River DCP - 2011	\$665,338	-	\$254,742	\$920,080
North Dennington DCP - 2014	-	-	-	-
Total	\$665,338	-	\$254,742	\$920,080

Land, works, services or facilities delivered in 2019-2020 from DCP levies collected

Project description	Project ID	DCP name, year approved	DCP fund expended	Works in-kind accepted	Council's contribution	Other contributors	Total project expenditure	Percentage of item delivered
Main drainage pipe system, including pits, GPT and open drains	DRO2 - Catchment 1	North of the Merri DCP - 2011	-	\$101,137	-	-	\$269,546.68	40%
Construct wetland, main drainage pipe system, pits, gross pollutant trap and open drains	DRO4 - Catchment 3		-	\$153,605	-	-	\$407,236.25	42%
Floodplain - 1 in 100 - land	DRO1		-		-	\$204,330.00		100%
Total			\$0.00	\$254,742	\$0.00	\$204,330.00	\$1,393,878.10	

Performance statement

The Warrnambool municipality

Warrnambool City Council is a municipality covering 120sqkm in south-west Victoria. It contains the city of Warrnambool, which has a population of 35,000, and the small towns of Allansford, Woodford and Bushfield.

Significant natural features include the estuaries of the Merri and Hopkins rivers and the expansive Lady Bay which in winter and spring is a nursery for southern right whales.

Warrnambool is a major regional employment base with significant dairy and meat processing factories along with a range of industries which service agricultural enterprises. The information below relates to the Warrnambool economy before the impact of the COVID-19 pandemic. The Warrnambool economy generates output of about \$4.5 billion, accounting for over 20 per cent of the Great South Coast's economic output from less than one per cent of the land area.

It has more than 2,800 registered businesses and significant employment sectors include health and social assistance (19.7 per cent of those employed), retail (14.2 per cent), manufacturing (5.8 per cent), education and training (10 per cent), construction (7.75 per cent), accommodation and food services (9.2 per cent).

Tourism is another major driver of the city's economy with the city positioned within the Great Ocean Road region and home to the award-winning Flagstaff Hill Maritime Village. Each year more than 700,000 people visit Warrnambool.

Tertiary education providers Deakin University and South West TAFE have campuses in Warrnambool which, along with bringing students to the city, provide local people with opportunities to pursue education and vocational training without having to leave the region.

Warrnambool City Council is also a major employer and provides a range of community services and also owns and manages community assets including the aquatic centre AquaZone, Warrnambool Art Gallery, Warrnambool Stadium, the Lighthouse Theatre, Surfside Holiday Park and major tourist attraction Flagstaff Hill Maritime Village.



Sustainable capacity indicators

Indicator/measure	2017	2018	2019	2020	Comments
Population					
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,060.83	\$2,107.83	\$2,154.41	\$2,052.59	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$14,960.03	\$14,259.21	\$13,443.32	\$13,267.27	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	102.11	104.25	104.31	104.71	
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,474.72	\$1,554.39	\$1,629.60	\$1,685.48	
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$462.56	\$391.95	\$394.38	\$342.09	Childcare subsidy was previously categorised as a recurrent grant but has now been correctly categorised as user fees. This change in classification has resulted in a decrease in this measure.
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	5.00	5.00	5.00	5.00	
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.2%	10.6%	10.0%	13.1%	

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

Indicator/measure	2017	2018	2019	2020	Comments
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6.86	6.94	6.85	4.37	Closure in July and August 2019 for works on the air handling unit and an upgrade to the water treatment system. Mandatory closure from March 23rd 2020 until a restricted reopening from June 23rd 2020 due to COVID-19 regulation.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	0%	
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	95.35%	100.00%	84.21%	100.00%	Council aim for a 100% target. In 2018-2019 notifications were only identified weeks prior to the period end, with follow up actions completed in the 2019-2020 reporting period. In 2019-20, Council was able to resolve all Non-Compliances outcomes, and hence 100% was achieved.
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51.00	46.00	48.00	38.00	A number of high profile issues have been prevalent over the previous year, impacting the community's perception of Council listening to community views.
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	15.56%	14.37%	13.77%	13.87%	
Maternal and Child Health (MCH) 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	75.25%	73.63%	76.99%	77.68%	
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	63.75%	61.33%	73.24%	80.00%	
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	49.00	53.00	58.00	48.00	With road requests down and no change to road condition, this is more likely a reflection on the poor community perception of council as a whole or the effect of the poor condition of the State roads.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	50.00%	100.00%	50.00%	0.00%	One application was determined by VCAT during the 2019-20 financial year. Councillors formed a position to not support the application, VCAT did not uphold that position and approved the application.

Service performance indicators

Indicator/measure	2017	2018	2019	2020	Comments
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	38.09%	37.73%	47.78%	64.30%	This improvement in waste diversion from landfill is related to the introduction of a FOGO (food organics garden organics) collection service. While this has seen an increase in overall material collected, 800 tonnes of food waste has been diverted from landfill through this new service, increasing our landfill diversion rate.

Definitions

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

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

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

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

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"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 authorised 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 authorised 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

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian

WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

Financial performance indicators

Indicator/measure	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency					Forecasts				
Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,161.19	\$4,313.65	\$4,319.97	\$4,136.33	\$4,169.78	\$4,513.71	\$4,391.33	\$4,449.82	
Revenue level <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,946.27	\$1,984.66	\$2,024.45	\$2,105.38	\$2,147.40	
Liquidity									
Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	144.18%	124.89%	171.63%	158.72%	105.80%	115.34%	120.18%	125.97%	Council's cash balance increased due to the receipt of a number of grants for projects that will be constructed in 2020/21, the major one being the Reid Oval project. Council also received 50% of the 2020/21 Victorian Grants Commission payment in 2019/20. A number of capital projects scheduled for 2019/20 were not completed and have been rolled over into 2020/21 which will reduce the ratio in that year before a steady increase to more average levels.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	53.62%	34.02%	66.21%	125.43%	61.56%	70.59%	75.82%	82.25%	Council's cash balance increased due to the receipt of a number of grants for projects that will be constructed in 2020/21, the major one being the Reid Oval project. Council also received 50% of the 2020/21 Victorian Grants Commission payment in 2019/20. A number of capital projects scheduled for 2019/20 weren't completed and have been rolled over into 2020/21 which will reduce the cash balance in that year before a steady increase to more average levels.

Financial performance indicators

Indicator/measure	2017	2018	2019	2020	2021	2022	2023	2024	
Obligations					Forecasts				
Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	23.06%	16.93%	26.23%	20.39%	33.65%	30.65%	25.20%	26.88%	Council did not borrow any funds in 2019/20 whilst the rates were increased at 4.5% as Council had an approved rate cap variation. Over the forecast period, there are large borrowings expected in 2020/21 for the Reid Oval upgrade, Library and Learning Centre Hub and energy savings initiatives. After this, there are minimal loans in the forecast period with an amount in 2023/24 for the upgrade to the Civic Centre following the transfer of the current Library to the TAFE site.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	5.79%	5.11%	4.84%	4.85%	4.87%	5.64%	4.70%	4.57%	
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	14.95%	10.72%	16.79%	15.09%	25.88%	21.10%	17.26%	18.14%	Council did not borrow any funds in 2019/20. Over the forecast period, there are large borrowings expected in 2020/21 for the Reid Oval upgrade, Library and Learning Centre Hub and energy savings initiatives. After this, there are minimal loans in the forecast period with an amount in 2023/24 for the upgrade to the Civic Centre following the transfer of the current Library to the TAFE site.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	New in 2020	101.76%	117.09%	88.44%	99.90%	122.35%	
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	-2.32%	-4.12%	-1.03%	3.21%	-7.34%	-4.09%	1.18%	1.39%	Council aims for a breakeven underlying surplus. In the forecast period, Council is completing a number of significant projects which aren't Council assets such as the Port of Warrnambool and the Library and Learning Centre Hub. These costs are classified as an expense and not capital works which impacts the adjusted underlying surplus (deficit).
Stability Rates concentration Rates compared to adjusted underlying revenue	50.43%	51.34%	51.47%	54.58%	60.71%	55.46%	56.11%	56.36%	
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.56%	0.57%	0.57%	0.58%	0.58%	0.58%	0.60%	0.60%	

Financial performance indicators

Indicator/measure	2017	2018	2019	2020	Comments
Retired measures					
Service / indicator / measure	Results 2017	Results 2018 R	Results 2019		
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	Retired in 2020	This measure was replaced by the animal management prosecutions measure from 1 July 2019.
Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,758.78	\$1,772.36	\$1,920.58	Retired in 2020	This measure was replaced by the average rate per property assessment measure from 1 July 2019.
Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	121.86%	107.15%	110.26%	Retired in 2020	This measure was replaced the asset renewal and upgrade compared to depreciation measure in 1 July 2019.

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 Local Government Better Practice Guide Performance Statement 2019-2020

"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.

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 1989 and Local Government (Planning and Reporting) Regulations 2014.

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds 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 Strategic Resource Plan on July 6, 2020, and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan is contained within the Council Plan and is found on Council's website, www.warrnambool.vic.gov.au

Certification of the Performance Statement

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



David Harrington, Chartered Accountant

Principal Accounting Officer

September 14, 2020

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

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

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

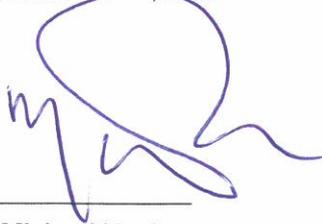
We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



Cr Sue Cassidy

Councillor

September 14, 2020



Cr Michael Neoh

Councillor

September 14, 2020



Vikki King

Acting Chief Executive Officer

September 14, 2020



WARRNAMBOOL
CITY COUNCIL

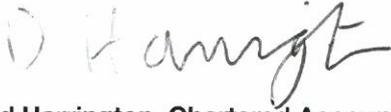
Warrnambool City Council
Annual Financial Report
For the year ended June 30 2020

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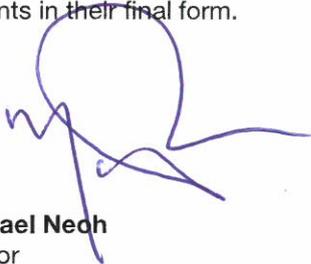
Certification of the financial statements

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

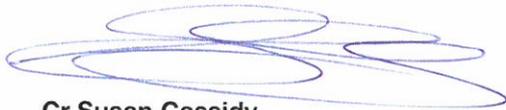


David Harrington, Chartered Accountant
Principal Accounting Officer
September 14, 2020
Warrnambool

In our opinion the accompanying financial statements present fairly the financial transactions of Warrnambool City Council for the year ended 30 June 2020 and the financial position of the Council as at that date. As 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 2014 to certify the financial statements in their final form.



Cr Michael Nech
Councillor
September 14, 2020
Warrnambool



Cr Susan Cassidy
Councillor
September 14, 2020
Warrnambool



Vikki King
Acting Chief Executive Officer
September 14, 2020
Warrnambool

Victorian Auditor-General's Office Report



Independent Auditor's Report

To the Councillors of Warrnambool City Council

Opinion	<p>I have audited the financial report of Warrnambool City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> □ balance sheet as at 30 June 2020 □ comprehensive income statement for the year then ended □ statement of changes in equity for the year then ended □ statement of cash flows for the year then ended □ statement of capital works for the year then ended □ notes to the financial statements, including significant accounting policies □ certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the Local Government Act 1989 and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>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.</p> <p>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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors's responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1989, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

MELBOURNE
18 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	40,719	38,264
Statutory fees and fines	3.2	1,830	1,854
User fees	3.3	15,295	17,801
Grants - operating	3.4 (a)	13,667	14,129
Grants - capital	3.4 (b)	4,512	6,669
Contributions - monetary	3.5(a)	2,240	1,739
Contributions - non monetary	3.5(a)	4,851	4,629
Found Assets	3.5(b)	85	2,956
Share of net profits (or loss) of associates and joint ventures	6.3(a)	84	54
Other income	3.7	1,369	973
Total income		84,652	89,068
Expenses			
Employee costs	4.1	(33,125)	(33,194)
Materials and services	4.2	(24,988)	(27,566)
Depreciation	4.3	(12,138)	(11,750)
Amortisation - right of use assets	4.4	(247)	-
Bad and doubtful debts	4.5	(249)	(332)
Borrowing costs	4.6	(368)	(310)
Finance costs - leases	4.7	(36)	-
Other expenses	4.8	(954)	(789)
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(107)	(1,166)
Total expenses		(72,212)	(75,107)
Surplus for the year		12,440	13,961
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	(6,905)	(34,982)
Share of other comprehensive income of associates and joint ventures	6.3	3	10
Total comprehensive result		5,538	(21,011)

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

Balance Sheet

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	9,678	6,696
Trade and other receivables	5.1(c)	2,909	3,320
Other financial assets	5.1(b)	16,000	12,000
Inventories	5.2(a)	204	177
Non-current assets classified as held for sale	6.1	250	-
Other assets	5.2(b)	1,730	1,255
Total current assets		30,771	23,448
Non-current assets			
Trade and other receivables	5.1(c)	10	10
Other financial assets	5.1(b)	2	2
Investments in associates, joint arrangements and subsidiaries	6.3	720	633
Property, infrastructure, plant and equipment	6.2	629,282	630,609
Right-of-use assets	5.8	1,157	-
Total non-current assets		631,171	631,254
Total assets		661,942	654,702
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	5,149	4,255
Trust funds and deposits	5.3(b)	1,050	1,101
Unearned income	5.3(c)	4,845	-
Provisions	5.5	6,663	6,571
Interest-bearing liabilities	5.4	1,529	1,735
Lease liabilities	5.8	151	-
Total current liabilities		19,387	13,662
Non-current liabilities			
Provisions	5.5	1,166	1,235
Interest-bearing liabilities	5.4	6,772	8,301
Lease liabilities	5.8	1,012	-
Total non-current liabilities		8,950	9,536
Total liabilities		28,337	23,198
Net assets		633,605	631,504
Equity			
Accumulated surplus		239,575	232,679
Reserves	9.1	394,030	398,825
Total Equity		633,605	631,504

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

Statement of Changes in Equity

	Note	Accumulated		Asset	Other
		Total	Surplus	Revaluation Reserve	Reserves
2020		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		631,504	232,679	392,485	6,340
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers	10	(3,437)	(3,437)	-	-
Adjusted Opening balance		628,067	229,242	392,485	6,340
Surplus/(deficit) for the year		12,440	12,440	-	-
Other comprehensive income from investment in associates	6.3	3	3	-	-
Net asset revaluation increment/(decrement)	9.1(a)	(6,905)	-	(6,905)	-
Transfers to other reserves	9.1(b)	-	(2,864)	-	2,864
Transfers from other reserves	9.1(b)	-	754	-	(754)
Balance at end of the financial year		633,605	239,575	385,580	8,450
2019		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		652,515	219,111	427,467	5,937
Surplus/(deficit) for the year		13,961	13,961	-	-
Other comprehensive income from investment in associates	6.3	10	10	-	-
Net asset revaluation increment/(decrement)	9.1(a)	(34,982)	-	(34,982)	-
Transfers to other reserves	9.1(b)	-	(901)	-	901
Transfers from other reserves	9.1(b)	-	498	-	(498)
Balance at end of the financial year		631,504	232,679	392,485	6,340

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

Statement of Cash Flows

	2020 Inflows/(Outflows)	2019 Inflows/(Outflows)
	Note	Note
	\$'000	\$'000
Cash flows from operating activities		
Rates and charges	40,358	38,378
Statutory fees and fines	1,576	1,468
User fees	15,408	17,903
Grants - operating	13,827	14,345
Grants - capital	5,730	6,264
Contributions - monetary	2,240	1,739
Interest received	224	245
Trust funds and deposits taken	1,101	1,724
Other receipts	844	775
Net GST refund/(payment)	151	(162)
Employee costs	(32,835)	(33,182)
Materials and services	(24,232)	(26,191)
Short-term, low value and variable lease payments	(276)	-
Trust funds and deposits repaid	(1,152)	(1,384)
Interest paid	(368)	(310)
Other payments	(702)	(789)
Net cash provided by/(used in) operating activities	9.2 21,894	20,823
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(13,077)	(17,934)
Proceeds from sale of property, infrastructure, plant and equipment	177	280
Payments for investments	(21,000)	(13,000)
Proceeds from sale of investments	17,000	9,000
Net cash provided by/(used in) investing activities	(16,900)	(21,654)
Cash flows from financing activities		
Proceeds from borrowings	-	5,500
Repayment of borrowings	(1,735)	(1,543)
Interest paid - lease liability	(36)	-
Repayment of lease liabilities	(241)	-
Net cash provided by/(used in) financing activities	(2,012)	3,957
Net increase/(decrease) in cash and cash equivalents	2,982	3,126
Cash and cash equivalents at the beginning of the financial year	6,696	3,570
Cash and cash equivalents at the end of the financial year	9,678	6,696

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

Statement of Capital Works

	Note	2020 \$'000	2019 \$'000
Property			
Total land		-	-
Buildings specialised		3,431	1,937
Buildings non-specialised		882	28
Building improvements		-	8
Total buildings		4,313	1,973
Total property		4,313	1,973
Plant and equipment			
Plant, machinery and equipment		153	1,344
Fixtures, fittings and furniture		115	23
Computers and telecommunications		165	232
Paintings and exhibits		92	36
Total plant and equipment		525	1,635
Infrastructure			
Roads		4,792	4,857
Bridges		569	129
Footpaths and cycleways		1,957	2,095
Drainage		3,155	4,882
Recreational, leisure and community facilities		277	176
Waste Management		-	1,606
Parks, open space and streetscapes		1,926	1,381
Aerodromes		9	-
Other infrastructure		-	15
Total infrastructure		12,685	14,141
Total capital works expenditure	6.2	17,523	17,749
Represented by:			
New asset expenditure		5,126	1,469
Asset renewal expenditure		9,769	12,955
Asset expansion expenditure		45	131
Asset upgrade expenditure		2,583	3,194
Total capital works expenditure	6.2	17,523	17,749

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.

requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements.

The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
 - the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
 - the determination of employee provisions (refer to Note 5.5)
 - the determination of landfill provisions (refer to Note 5.5)
 - 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)
- Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional

Notes to the financial report

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the greater of 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.

The budget figures detailed below are those adopted by Council on 24 June 2019. The Budget was based on

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

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

1.1 Income and expenditure	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Income					
Rates and charges	40,593	40,719	126	0%	
Statutory fees and fines	1,770	1,830	60	3%	
User fees	15,147	15,295	148	1%	
Grants - operating	14,190	13,667	(523)	(4%)	
Grants - capital	2,432	4,512	2,080	86%	1
Contributions - monetary	880	2,240	1,360	155%	2
Contributions - non monetary	4,000	4,851	851	21%	3
Found assets	-	85	85	100%	
Interest	246	273	27	11%	
Share of net profits/(losses) of associates and joint ventures	-	-	-	100%	
Other income	346	1,096	750	217%	4
Total income	79,604	84,652	5,048	6%	
Expenses					
Employee costs	34,259	33,125	1,134	3%	
Materials and services	23,607	24,988	(1,381)	(6%)	
Bad and doubtful debts	124	249	(125)	(101%)	
Depreciation	12,871	12,138	733	6%	
Amortisation - right of use assets	-	247	(247)	0%	
Borrowing costs	409	368	41	10%	
Finance costs - leases	-	36	(36)	0%	
Other expenses	834	954	(120)	(14%)	
Net loss on disposal of property, infrastructure, plant and equipment	866	107	759	88%	5
Total expenses	72,970	72,212	758	1%	
Surplus/(deficit) for the year	6,634	12,440	5,806	88%	

Notes to the financial report

(i) Explanation of material variations		
Variance Ref	Item	Explanation
1	Grants - capital	Council received the final capital grant funds for the City Renewal project (\$2.5m) in 2019/20. These were originally budgeted to be received in the 2018/19 financial year.
2	Contributions - monetary	A major Developer Contribution Payment (DCP) was received when a property development changed ownership. This was not previously budgeted for as the DCP had been deferred to a later stage of development. The council is holding the funds for the Great South Coast Group and Regional Cities Victoria, during the 2019/20 Council received contributions from the member Councils. These were not budgeted for as the Great South Coast changed management from another Council mid-year and the Regional Cities Victoria was due to be changed in 2019/20 but remained with Warrnambool City Council.
3	Contributions - non monetary	The level of non monetary contributions (gifted assets) is dependent on the level of development activity. During the 2019/20 financial year, there were higher levels of development activity than previous years with gifted assets from areas such as Wollaston Way, Hopkins Ridge and Mervue Estate.
4	Other income	Other income includes a large insurance claim (\$0.4m) in relation to one of Councils Childcare Centres. It also includes recognition of in-kind volunteer labour as income (\$0.3m) under the Accounting Standard AASB1058.
5	Net loss on disposal of property, infrastructure, plant and equipment	Council sold surplus land in the 2019/20 financial year at a profit and the write-off road rehabilitations was lower than expected due to the condition of the roads that were rehabilitated.

Notes to the financial report

Note	Performance against budget (cont'd)	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
1.2	Capital works					
	Property					
	Total Land	-	-	-	0%	
	Buildings	-	4,313	(4,313)	(100%)	1
	Building improvements	2,264	-	2,264	100%	1
	Total Buildings	2,264	4,313	(2,049)	(91%)	
	Total Property	2,264	4,313	(2,049)	(91%)	
	Plant and Equipment					
	Plant, machinery and equipment	1,225	153	1,072	88%	2
	Fixtures, fittings and furniture	-	115	(115)	100%	
	Computers and telecommunications	304	165	139	46%	
	Paintings and exhibits	55	92	(37)	(67%)	
	Total Plant and Equipment	1,584	525	1,059	67%	
	Infrastructure					
	Roads	4,689	4,792	(103)	(2%)	
	Bridges	334	569	(235)	(70%)	
	Footpaths and cycleways	1,620	1,957	(337)	(21%)	
	Drainage	492	3,155	(2,663)	(541%)	3
	Recreational, leisure and community facilities	3,490	277	3,213	92%	4
	Parks, open space and streetscapes	3,523	1,926	1,597	45%	5
	Aerodromes	29	9	20	69%	
	Off street car parks	677	-	677	100%	6
	Other infrastructure	692	-	692	100%	7
	Total Infrastructure	15,546	12,685	2,861	18%	
	Total Capital Works Expenditure	19,394	17,523	1,871	10%	
	Represented by:					
	New asset expenditure	3,242	5,126	(1,884)	(58%)	8
	Asset renewal expenditure	14,045	9,769	4,276	30%	8
	Asset expansion expenditure	-	45	(45)	(100%)	
	Asset upgrade expenditure	2,107	2,583	(476)	(23%)	
	Total Capital Works Expenditure	19,394	17,523	1,871	10%	

(i) Variance Ref	Item	Explanation of material variations
1	Buildings & Building Improvements	Completion of a number of projects that were budgeted in previous years, including HVAC upgrades at the Art Gallery and Aquazone and the all abilities changing facilities at Lake Pertobe.
2	Plant, machinery and equipment	A number of heavy plant equipment items were delayed and will be purchased in 2020/21. This includes Jet Vac Truck, Garbage Compactor and two out-front mowers.
3	Drainage	Finalisation of the Racecourse component of the Simpson Street Drainage project in early 2019/20 which was originally budgeted for in prior years.
4	Recreational, leisure and community facilities	The 2019/20 budget included a large component of the Reid Oval project. This project is now being estimated for completion in the 2020/21 financial year.
5	Parks, open space and streetscapes	The \$1.4m smart street lighting project was originally budgeted for 2019/20 but will now be finalised by the end of the 2020 calendar year.
6	Off street car parks	The 2019/20 budget had an allocation for the extension of the carpark at the foreshore pavilion. Due to external factors around permits and funding, this project is currently on hold.
7	Other infrastructure	Other Infrastructure included a 2019/20 budget allocation for the Livestock Exchange roof construction. The tender has been let and construction will occur at the start of the 2020/21 financial year.
8	Asset Expenditure Categories	The split of asset spend was weighted higher towards new assets due to the construction of a new drainage basin and associated pipe work in the Simpson Street Drainage project. There were also 2 new toilet blocks commissioned in 2019/20 which would normally be renewal or upgrades of existing toilet blocks.

Notes to the financial report

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1(a) Program summary

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.

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, environmental management, local laws, health and services to the Port of Warrnambool and the Warrnambool Regional Airport.

The directorate provides engineering services including investigation, design, project management and engineering supervision of key infrastructure projects, strategy and policy advice to council, technical services and advice to the community, manages contract management for projects in the capital works program and serves the community by managing the city's road, drainage and footpath network, parks, recreational and sporting facilities and vehicle fleet. 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 protecting the health of all residents and visitors through food safety monitoring, law enforcement of the Health Act, immunisation and public health education programs.

Community Development

The Community Development directorate plans for and

provides a broad range of social, cultural, community, recreational and educational services and facilities to support residents of all ages and stages of life. The directorate receives funding from a variety of sources including State and Federal Government departments in order to subsidise and support the services provided.

The directorate also works in partnership with a range of government departments, and strategic partners and sectors in order to plan for and achieve the community's strategic goals and aspirations.

Services in the directorate include: community policy and planning, baby makes 3+, early years learning and development, maternal and child health, family and children's services, pre-schools, family day care, outside school hours care, Warrnambool Library, AquaZone, multi-purpose stadium, gymnastics stadium, general recreation and planning, Warrnambool Art Gallery, Lighthouse Theatre, youth services, Archie Graham Community Centre, volunteer services, home and community care, meals on wheels, home maintenance, respite care, and rural access.

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 (including the recently announced Designated Area Migration Agreement), city statutory planning and development, strategic planning to cater for new residential and commercial/industrial growth, building services, environment and sustainability services, open space planning and graphical information support. The directorate also plays a major role in supporting and adding value to the city's international relationships with Miura (Japan), Changchun (China), Knoxville (USA) and Mariestad (Sweden).

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

	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
2020					
Corporate Strategies	53,997	23,779	30,218	4,677	37,247
City Infrastructure	5,273	18,665	(13,392)	1,724	609,239
Community Development	16,586	20,887	(4,049)	8,518	2,314
City Growth	8,543	8,881	(338)	3,260	13,142
	84,652	72,212	12,440	18,179	661,942

	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
2019					
Corporate Strategies	53,619	23,625	29,994	4,558	29,017
City Infrastructure	7,846	20,624	(12,778)	3,765	610,538
Community Development	20,192	21,622	(1,430)	10,149	2,128
City Growth	7,411	9,236	(1,825)	2,326	13,019
	89,068	75,107	13,961	20,798	654,702

Notes to the financial report

Note 3 Funding for the delivery of our services	2020 \$'000	2019 \$'000
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 2019/20 was \$7.013 billion (2018/19 \$6.553 billion).		
Residential Rates	21,059	19,921
Municipal charge	4,755	4,498
Waste management charge	6,597	5,963
Commercial rates	4,990	4,655
Vacant Land rates	982	965
Industrial rates	1,774	1,702
Urban farm rates	418	410
Cultural and recreational land rates	74	71
Interest on rates and charges	70	79
Total rates and charges	40,719	38,264
The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation was first applied in the rating year commencing 1 July 2019. Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.		
3.2 Statutory fees and fines		
Parking fines	555	641
Animal control	512	513
Town planning and building	514	404
Health and Local Laws	154	162
Permits and certificates	95	134
Total statutory fees and fines	1,830	1,854
Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.		
3.3 User fees		
Property management	735	774
Indoor aquatic centre	1,402	2,103
Children's services	3,400	3,909
Multi Purpose Sports Stadium	922	1,156
Cultural centres	1,169	1,557
Regulatory control	1,533	1,840
Tourism and promotion	954	1,155
Foreshore holiday parks	2,779	3,066
Livestock exchange	1,306	1,147
Aged services fees	714	768
Other fees and charges	381	326
Total user fees	15,295	17,801

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 report

Note 3 Funding	2020 \$'000	2019 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	8,091	7,158
State funded grants	10,088	13,640
Total grants received	18,179	20,798
(a) Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission - Financial Assistance Grant	3,274	3,191
Victoria Grants Commission - local roads	673	655
Aged Services	1,947	1,885
Other	88	86
Recurrent - State Government		
Port operations	111	93
Economic development	8	23
Family and children	3,154	3,279
Aged services	809	727
Cultural centres	331	345
Rural access	152	301
Environment initiatives	57	68
School crossing supervision	191	193
Pension rebate	726	676
Other	89	92
Total recurrent operating grants	11,610	11,614
Non-recurrent - Commonwealth Government		
Economic development	150	91
Other	10	-
Non-recurrent - State Government		
Economic development	327	679
Family and children	866	817
Aged services	128	241
Recreation	13	-
Rural Access	20	-
Cultural centres	99	235
Environment initiatives	98	209
Infrastructure Services	182	127
Other	164	116
Total non-recurrent operating grants	2,057	2,515
Total operating grants	13,667	14,129

Notes to the financial report

Note 3	2020 \$'000	2019 \$'000
3.4 (b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	425	-
Total recurrent capital grants	425	-
Non-recurrent - Commonwealth Government		
Infrastructure services	1,524	1,250
Non-recurrent - State Government		
Infrastructure services	1,473	1,947
Recreation	931	2,247
Port operations	103	937
Environment initiatives	56	288
Total non-recurrent capital grants	4,087	6,669
Total capital grants	4,512	6,669
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	1,967	1,361
Adjustment to opening balance for change in revenue accounting standards	(73)	-
Received during the financial year and remained unspent at balance date	1,845	1,619
Received in prior years and spent during the financial year	(1,410)	(1,013)
Balance at year end	2,329	1,967
Capital		
Balance at start of year	3,846	730
Adjustment to opening balance for change in revenue accounting standards	(3,364)	-
Received during the financial year and remained unspent at balance date	9	3,544
Received in prior years and spent during the financial year	(141)	(428)
Balance at year end	350	3,846

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

Notes to the financial report

3	2020 \$'000	2019 \$'000
3.5 (a) Contributions		
Monetary	2,240	1,739
Non-monetary	4,851	4,629
Total contributions	7,091	6,368
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Land	63	-
Buildings	19	-
Roads	2,440	2,473
Drainage	831	738
Footpaths and cycleways	953	992
Land under roads	517	298
Paintings and exhibits	28	128
Total non-monetary contributions	4,851	4,629
Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.		
3.5(b) Found assets		
Found assets were received in relation to the following asset classes		
Bridges	-	97
Roads	-	14
Drainage	27	2,673
Footpaths and cycleways	7	36
Recreation, Leisure and Community Facilities	29	-
Parks and Streetscapes	9	-
Plant and Equipment	13	-
Paintings and exhibits	-	136
Total found assets	85	2,956
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.		
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	177	280
Written down value of assets disposed		
Plant and equipment	(46)	(255)
Land	(91)	-
Infrastructure	(147)	(1,191)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(107)	(1,166)
The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.		
3.7 Other income		
Interest	273	233
Infrastructure services	118	206
Recreation and cultural programs	6	1
Family and community	7	8
Recognition of in-kind volunteer support	252	-
Reimbursements	600	305
Other Income	113	220
Total other income	1,369	973
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.		

Notes to the financial report

Note 4 The cost of delivering services		2020	2019
		\$'000	\$'000
4.1	(a) Employee costs		
	Wages and salaries	29,325	29,371
	WorkCover	784	796
	Superannuation	2,690	2,731
	Fringe benefits tax	326	296
	Total employee costs	33,125	33,194
	(b) Superannuation		
	Council made contributions to the following funds:		
	Defined benefit fund		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	194	247
		194	247
	Employer contributions payable at reporting date.	-	-
	Accumulation funds		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,329	2,470
	Employer contributions - other funds	167	14
		2,496	2,484
	Employer contributions payable at reporting date.	296	193
	Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2	Materials and services		
	Infrastructure services	6,227	7,968
	Waste management	3,276	3,550
	Recreation and cultural services	3,476	4,080
	Children's services	1,154	803
	Family day care	211	263
	Corporate services	4,943	4,544
	Tourism and promotion	1,998	2,328
	Aged services	638	821
	Foreshore caravan parks	942	978
	Livestock Exchange	454	449
	Health and local laws	1,064	1,129
	Other	605	653
	Total materials and services	24,988	27,566
4.3(a)	Depreciation		
	Property	2,081	2,001
	Plant and equipment	1,560	1,786
	Infrastructure	8,497	7,963
	Total depreciation	12,138	11,750
	Refer to note 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.		

Notes to the financial report

Note 4 The cost of delivering services	2020 \$'000	2019 \$'000
4.3(b) Amortisation - Right of use assets		
Property	15	-
Plant & equipment	232	-
Total Amortisation - Right of use assets	247	-
4.4 Bad and doubtful debts		
Local Laws debtors	214	277
Other debtors	35	55
Total bad and doubtful debts	249	332
Movement in provisions for doubtful debts		
Balance at the beginning of the year	502	225
New Provisions recognised during the year	260	277
Amounts already provided for and written off as uncollectible	(19)	-
Balance at end of year	743	502
Provision for doubtful debts is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.		
4.5 Borrowing costs		
Interest - Borrowings	368	310
Total borrowing costs	368	310
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.		
4.6 Finance Costs - Leases		
Interest - Lease Liabilities	36	-
Total finance costs	36	-
4.7 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	51	43
Auditors' remuneration - Internal	78	78
Councillor Allowances	260	266
Operating lease rentals	313	402
Recognition of in-kind volunteer support	252	-
Total other expenses	954	789

Notes to the financial report

Note 5	Our financial position	2020 \$'000	2019 \$'000
5.1	Financial assets		
	(a) Cash and cash equivalents		
	Cash on hand	27	28
	Cash at bank	9,651	6,668
	Total cash and cash equivalents	9,678	6,696
	(b) Other financial assets		
	Current		
	Term deposits - current	16,000	12,000
	Non-current		
	Unlisted shares in corporations	2	2
	Total other financial assets	16,002	12,000
	Total financial assets	25,680	18,696
	Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
	- Resort and recreation reserve (Note 9.1(b))	311	292
	- Trust funds and deposits (Note 5.3(b))	1,050	1,101
	Total restricted funds	1,361	1,393
	Total unrestricted cash and cash equivalents	8,317	5,303
	Intended allocations		
	Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
	- Cash held to fund carried forward capital works	12,357	8,257
	Total funds subject to intended allocations	12,357	8,257

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

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

Notes to the financial report

Note 5	2020 \$'000	2019 \$'000
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5.1 (c) Trade and other receivables

Current*Statutory receivables*

Rates debtors	1,007	646
Infringement debtors	906	658
Provision for doubtful debts	(705)	(473)
GST receivable	281	730

Non statutory receivables

Development and buildings	103	130
Animals	68	68
Child care	17	80
TAFE	41	63
Fire Service Levy	5	6
Other debtors	1,212	1,417
Provision for doubtful debts	(40)	(29)
Loans and advances to community organisations	14	24

Total current trade and other receivables

2,909	3,320
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Non-current

Non statutory receivables

Loans and advances to community organisations	10	10
Total non-current trade and other receivables	10	10

Total trade and other receivables

2,919	3,330
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Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of Receivables

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

Current (not yet due)	1,165	1,387
Past due by up to 30 days	47	128
Past due between 31 and 180 days	101	139
Past due between 181 and 365 days	52	36
Past due by more than 1 year	65	79
Total trade and other receivables	1,430	1,769

Notes to the financial report

5.2	2020 \$'000	2019 \$'000
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Non-financial assets
(a) Inventories

Inventories held for distribution	66	67
Inventories held for sale	138	110
Total inventories	204	177

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

Prepayments	1,209	1,006
Accrued income	521	249
Total other assets	1,730	1,255

5.3 Payables
(a) Trade and other payables

Trade payables	865	1,195
GST payable	(5)	293
Accrued expenses	3,253	2,689
Fire service levy liability	1,036	78
Total trade and other payables	5,149	4,255

(b) Trust funds and deposits

Refundable developer deposits	829	910
Contract retention amounts	46	10
Other refundable deposits	175	181
Total trust funds and deposits	1,050	1,101

(c) Unearned income

Grants received in advance - operating	233	-
Grants received in advance - capital	4,612	-
Total unearned income	4,845	-

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

Purpose and nature of items

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

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

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

Notes to the financial report

5.4		2020	2019
		\$'000	\$'000

Interest-bearing liabilities**Current**

Borrowings - secured (1)	1,529	1,735
	1,529	1,735

Non-current

Borrowings - secured (1)	6,772	8,301
	6,772	8,301

Total

	8,301	10,036
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(1) Borrowings are secured by Council rates

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

Not later than one year	1,529	1,735
Later than one year and not later than five years	4,274	7,183
Later than five years	2,498	1,118
	8,301	10,036

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

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

5.5 Provisions

	Employee Landfill restoration		Total
	\$ '000	\$ '000	\$ '000
2020			
Balance at beginning of the financial year	7,018	788	7,806
Additional provisions	2,631	-	2,631
Amounts used	(2,557)	(80)	(2,637)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	5	24	29
Balance at the end of the financial year	7,097	732	7,829

	Employee Landfill restoration		Total
	\$ '000	\$ '000	\$ '000
2019			
Balance at beginning of the financial year	7,021	804	7,825
Additional provisions	2,551	-	2,551
Amounts used	(2,577)	(80)	(2,657)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	23	64	87
Balance at the end of the financial year	7,018	788	7,806

Notes to the financial report

5.5	2020 \$'000	2019 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,844	1,994
Long service leave	713	420
	2,557	2,413
Current provisions expected to be wholly settled after 12 months		
Annual leave	573	316
Long service leave	3,452	3,761
	4,025	4,078
Total current employee provisions	6,582	6,491
Non-current		
Long service leave	515	527
Total non-current employee provisions	515	527
Aggregate carrying amount of employee provisions:		
Current	6,582	6,491
Non-current	515	527
Total aggregate carrying amount of employee provisions	7,097	7,018

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

Wages and salaries and annual leave

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

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

Long service leave

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

Key assumptions:

	2020	2019
- on-cost rate	11.480%	11.270%
- wage inflation rate	4.250%	4.313%
- discount rate	0.872%	1.324%

(b) Landfill rehabilitation provision

	2020 \$'000	2019 \$'000
Current	81	80
Non-current	651	708
	732	788

Council is obligated to rehabilitate Watson Street landfill to a particular standard. The forecast life of the site is based on current requirements to monitor and provide after-care rehabilitation of the site. 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 rehabilitate and monitor the site to a particular standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Key assumptions:

	2020	2019
- rehabilitation years	30	30
- remaining rehabilitated years	9	10
- inflation rate	2.0%	2.0%

Notes to the financial report

5.6

2020
\$'0002019
\$'000**Financing arrangements**

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

Bank overdraft	200	200
Credit card facilities	150	150
Total facilities	350	350
Used facilities	59	84
Unused facilities	291	266

5.7 **Commitments**

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

2020	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
Operating					
Recycling collection	647	671	2,169	778	4,265
Waste collection	438	434	1,227	350	2,449
Food and organics collection	819	850	2,748	985	5,402
Glass collection	482	500	1,609	575	3,166
Transactional banking	8	-	-	-	8
Cleaning services	579	265	17	-	861
Security Services	174	-	-	-	174
Parking Services	47	-	-	-	47
Animal Services	136	-	-	-	136
Internal Audit	73	37	-	-	110
Meals for delivery	167	-	-	-	167
Information technology	68	70	139	-	277
Total	3,638	2,827	7,909	2,688	17,062
Capital					
Information technology	37	-	-	-	37
Infrastructure	2,640	-	-	-	2,640
Total	2,677	-	-	-	2,677

Notes to the financial report

5.7 cont'

2019	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling collection	623	647	2,090	1,528	4,888
Waste collection	774	803	2,596	1,897	6,070
Food and organics collection	821	852	2,755	2,013	6,441
Transactional banking	90	8	-	-	98
Cleaning services	361	43	-	-	404
Security Services	146	148	-	-	294
Parking Services	93	47	-	-	140
Animal Services	144	-	-	-	144
Internal Audit	71	73	37	-	181
Meals for delivery	198	-	-	-	198
Total	3,321	2,621	7,478	5,438	18,858
Capital					
Information Technology	121	11	34	-	166
Infrastructure	896	-	-	-	896
Drainage	322	-	-	-	322
Total	1,339	11	34	-	1,384

5.8 Leases

Policy applicable before 1 July 2019

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

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

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

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

Policy applicable after 1 July 2019

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

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

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified

asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

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

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

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

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

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

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

Notes to the financial report

rate as the discount rate.

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

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal

period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

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

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

Right-of-Use Assets	Property \$'000	Plant & Equipment \$'000	Total \$'000
Balance at 1 July 2019	60	160	220
Additions	-	1,184	1,184
Amortisation charge	(15)	(232)	(247)
Balance at 30 June 2020	<u>45</u>	<u>1,112</u>	<u>1,157</u>

Lease Liabilities

	2020 \$'000
Maturity analysis - contractual undiscounted cash flows	
Less than one year	181
One to five years	663
More than five years	446
Total undiscounted lease liabilities as at 30 June:	<u>1,290</u>

Lease liabilities included in the Balance Sheet at 30 June:

Current	151
Non-current	1,012
Total lease liabilities	<u>1,163</u>

Short-term and low value leases

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

Expenses relating to:

	2020 \$'000
Short-term leases	38
Leases of low value assets	231
Total	<u>269</u>

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

-

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	239
Later than one year but not later than five years	418
Total lease commitments	<u>657</u>

i. Leases classified as operating leases under AASB 117 Leases

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

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

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 Provisions, Contingent Liabilities and Contingent Assets onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117 Leases, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under AASB 117 Leases immediately before that date.

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

Notes to the financial report

Note 5 cont'

Impact on financial statements

On transition to AASB 16 Leases, Council recognised an additional \$219,733 of right-of-use assets and \$219,733 of lease liabilities, recognising the difference in retained earnings. When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 2.745%.

	2019
	\$'000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	559
Discounted using the incremental borrowing rate at 1 July 2019	(6)
Finance lease liability recognised as at 30 June 2019	<u>553</u>
- Recognition exemption for:	
short-term leases	(21)
leases of low-value assets	(372)
- Discovered lease	60
- Lease liabilities recognised as at 1 July 2019	<u>220</u>

Note 6 Assets we manage

6.1 Non current assets classified as held for sale	2020	2019
	\$'000	\$'000
Parking Meters - Written down value	-	184
Property held for sale - Written down value	250	-
Total non current assets classified as held for sale	<u>250</u>	<u>184</u>

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

Notes to the financial report

6.2 Property, infrastructure, plant and equipment
Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019 \$'000	Additions \$'000	Contributions \$'000	Found Assets \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	At Fair Value 30 June 2020 \$'000
Land	161,948	-	580	-	188	(21)	(83)	-	(86)	162,526
Buildings	133,070	3,431	19	-	(7,093)	(2,060)	-	-	(164)	127,203
Plant and equipment	22,453	525	28	13	-	(1,560)	(46)	-	-	21,413
Infrastructure	308,903	11,812	4,224	72	-	(8,497)	(147)	-	-	316,367
Work in progress	4,235	1,755	-	-	-	-	-	(93)	(4,124)	1,773
Total	630,609	17,523	4,851	85	(6,905)	(12,138)	(276)	(93)	(4,374)	629,282

Summary of Work in Progress	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Buildings	700	882	-	(700)	882
Plant and equipment	61	-	-	(48)	13
Infrastructure	3,474	873	(93)	(3,376)	878
Total	4,235	1,755	(93)	(4,124)	1,773

Notes to the financial report

(a) Land and Buildings

	Land - specialised	Land - non specialised	Land improvements	Total Land & Land Improvements	Buildings - specialised	Buildings - non specialised	Building improvements	Total Buildings	Work In Progress	Total Land and Buildings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	158,611	2,726	995	162,332	151,342	3,093	911	155,346	700	318,378
Accumulated depreciation at 1 July 2019	-	-	(384)	(384)	(21,916)	(117)	(243)	(22,276)	-	(22,660)
	158,611	2,726	611	161,948	129,426	2,976	668	133,070	700	295,718
Movements in fair value										
Additions	-	-	-	-	3,431	-	-	3,431	882	4,313
Non-cash contributed assets	580	-	-	580	19	-	-	19	-	599
Found Assets	-	-	-	-	-	-	-	-	-	-
Revaluation	-	188	-	188	(14,588)	(81)	-	(14,669)	-	(14,481)
Disposal	(83)	-	-	(83)	-	-	-	-	-	(83)
Transfers	139	(225)	-	(86)	-	(173)	-	(173)	(700)	(959)
Work in progress expensed through operating result	-	-	-	-	-	-	-	-	-	-
	636	(37)	-	599	(11,138)	(254)	-	(11,392)	182	(10,611)
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	(21)	(21)	(2,003)	(37)	(20)	(2,060)	-	(2,081)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
Revaluation increment / (decrement)	-	-	-	-	7,468	108	-	7,576	-	7,576
Transfers	-	-	-	-	-	9	-	9	-	9
	-	-	(21)	(21)	5,465	80	(20)	5,525	-	5,504
At fair value 30 June 2020	159,247	2,689	995	162,931	140,204	2,839	911	143,954	882	307,767
Accumulated depreciation at 30 June 2020	-	-	(405)	(405)	(16,451)	(37)	(263)	(16,751)	-	(17,156)
	159,247	2,689	590	162,526	123,753	2,802	648	127,203	882	290,611

Notes to the financial report

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Paintings and exhibits	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	9,600	5,679	6,386	13,019	61	34,745
Accumulated depreciation at 1 July 2019	(5,029)	(4,680)	(2,522)	-	-	(12,231)
	4,571	999	3,864	13,019	61	22,514
Movements in fair value						
Additions	153	115	165	92	-	525
Non-cash contributed assets	-	-	-	28	-	28
Found Assets	13	-	-	-	-	13
Revaluation	-	-	-	-	-	-
Disposal	(286)	(117)	-	-	-	(403)
Transfers	-	(3)	-	3	(48)	(48)
Work in progress expensed through operating result	-	-	-	-	-	-
	(120)	(5)	165	123	(48)	115
Movements in accumulated depreciation						
Depreciation and amortisation	(994)	(84)	(482)	-	-	(1,560)
Accumulated depreciation of disposals	240	117	-	-	-	357
Transfers	-	-	-	-	-	-
	(754)	33	(482)	-	-	(1,203)
At fair value 30 June 2020	9,480	5,674	6,551	13,142	13	34,860
Accumulated depreciation at 30 June 2020	(5,783)	(4,647)	(3,004)	-	-	(13,434)
	3,697	1,027	3,547	13,142	13	21,426

Notes to the financial report

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Waste Management	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	251,943	32,616	54,587	89,382	6,582	16,547	10,050	13,814	606	7,726	3,474	487,327
Accumulated depreciation at 1 July 2019	(97,357)	(10,565)	(22,973)	(23,273)	(4,454)	(5,120)	(1,623)	(5,325)	(7)	(4,253)	-	(174,950)
	154,586	22,051	31,614	66,109	2,128	11,427	8,427	8,489	599	3,473	3,474	312,377
Movements in fair value												
Additions	4,552	569	1,957	3,123	277	1,325	9	-	-	-	873	12,685
Non-cash contributed assets	2,440	-	953	831	-	-	-	-	-	-	-	4,224
Found Assets	-	-	7	27	29	9	-	-	-	-	-	72
Revaluation increment / (decrement)	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	(165)	(75)	(47)	(11)	-	(2)	-	-	-	-	-	(300)
Transfers	-	-	-	-	-	-	-	-	-	-	(3,376)	(3,376)
Work in progress expensed through operating result	-	-	-	-	-	-	-	-	-	-	(93)	(93)
	6,827	494	2,870	3,970	306	1,332	9	-	-	-	(2,596)	13,212
Movements in accumulated depreciation												
Depreciation and amortisation	(4,397)	(358)	(1,243)	(922)	(120)	(632)	(259)	(350)	(41)	(175)	-	(8,497)
Accumulated depreciation of disposals	63	61	25	3	-	1	-	-	-	-	-	153
Non-cash contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increment / (decrement)	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
	(4,334)	(297)	(1,218)	(919)	(120)	(631)	(259)	(350)	(41)	(175)	-	(8,344)
At fair value 30 June 2020	258,770	33,110	57,457	93,352	6,888	17,879	10,059	13,814	606	7,726	878	500,539
Accumulated depreciation at 30 June 2020	(101,691)	(10,862)	(24,191)	(24,192)	(4,574)	(5,751)	(1,882)	(5,675)	(48)	(4,428)	-	(183,294)
	157,079	22,248	33,266	69,160	2,314	12,128	8,177	8,139	558	3,298	878	317,245

Notes to the financial report

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 been 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	Threshold Limit \$'000
Land & land improvements		
land	n/a	0
land improvements	20 - 200 years	5
Buildings		
buildings	30 - 100 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 - 20 years	2
paintings and exhibitions	n/a	0
Infrastructure		
roads	16 - 200 years	5
bridges	30 - 200 years	5
footpaths and cycleways	15 - 65 years	5
drainage	20 - 200 years	1
recreational, leisure and community facilities	20 - 80 years	1
parks, open spaces and streetscapes	15 - 80 years	5
off street car parks	16 - 200 years	5
aerodromes	16 - 100 years	1
other infrastructure	20 - 60 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.

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

Land and Artworks are not depreciated.

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

Depreciation periods used are listed below 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.

Notes to the financial report

Valuation of land and buildings

Land - Non Specialised

Non-specialised land was professionally valued in 2020 by Mr L Speed AAPI (Val) alongside their associated buildings. The valuations of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. It should be noted that non-specialised land is fair value hierarchy 2 due to the available market for this type of asset.

Land - Specialised

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserved) 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 professionally valued in 2020 by Mr L Speed AAPI (Val). 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 a component level condition assessment and depreciated replacement cost, based on information by SPM Consultants who were engaged by Warrnambool City Council in 2019. The details of the current valuation are detailed in the table below.

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

	Level 1 \$'000	Level2 \$'000	Level 3 \$'000	Date of Valuation
Land - non specialised	-	2,689	-	30/6/20
Land - specialised	-	-	159,247	30/6/20
Land Improvements	-	-	590	30/6/15
Buildings - non specialised	-	2,802	-	30/6/20
Buildings - specialised	-	-	123,753	30/6/20
Building improvements	-	-	648	30/6/18
Total	-	5,491	284,238	

Valuation of infrastructure

Valuation of infrastructure assets was performed by Mr Scott Cavanagh RPEng Civil MGT, Director City Infrastructure with Warrnambool City Council. The date of the current valuation is detailed in the following table.

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

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

	Level 1 \$'000	Level2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	157,079	30/6/19
Bridges	-	-	22,248	30/6/18
Footpaths and cycleways	-	-	33,266	30/6/18
Drainage	-	-	69,160	30/6/18
Recreational, leisure and community facilities	-	-	2,314	30/6/18
Parks, open space and streetscapes	-	-	12,128	30/6/18
Aerodromes	-	-	8,177	30/6/19
Off street car parks	-	-	8,139	30/6/19
Waste management	-	-	558	30/6/19
Other infrastructure	-	-	3,298	30/6/18
Total	-	-	316,367	

Notes to the financial report

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 \$0.12 and \$939 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and ranges from \$293 to \$4,941 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 0 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 0 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land	2020 \$'000	2019 \$'000
Land under roads	4,301	3,783
Crown land	75,144	75,144
Council freehold land	79,802	79,867
Total specialised land	159,247	158,794

Notes to the financial report

6.3 Investments in associates

2020	2019
\$'000	\$'000

(a) Investments in associates

Investments in associates accounted for by the equity method are:

- Corangamite Regional Library Corporation

720	633
-----	-----

Corangamite Regional Library Corporation

Background

Warrnambool City Council in conjunction with Colac Otway Shire, Corangamite Shire and Moyne Shire have an interest in the Corangamite Regional Library Corporation. The Library Corporation services much of the population of the South West Victoria and Warrnambool City Council currently has a 39.00% equity interest (38.00% in 2018/2019).

Fair value of Council's investment in Corangamite Regional Library Corporation

720	633
-----	-----

Council's share of accumulated surplus/(deficit)

Council's share of accumulated surplus/(deficit) at start of year

608	424
-----	-----

Reported surplus/(deficit) for year

84	54
----	----

Transfers (to) / from reserves

	120
--	-----

Movement in equity share

3	10
---	----

Council's share of accumulated surplus/(deficit) at end of year

695	608
-----	-----

Council's share of reserves

Council's share of reserves at start of year

25	145
----	-----

Transfers to / (from) reserves

-	(120)
---	-------

Council's share of reserves at end of year

25	25
----	----

Movement in carrying value of specific investment

Carrying value of investment at start of year

633	569
-----	-----

Share of surplus(deficit) for year

84	54
----	----

Movement in equity share

3	10
---	----

Carrying value of investment at end of year

720	633
-----	-----

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

(b) 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:

	2020	2019
	\$'000	\$'000
Income		
Grants - operating	111	93
User fees	6	8
Grants - capital	-	937
Total Income	117	1,038
Expenditure		
Materials and Services	117	101
Capital expenditure	357	88
Total Expenditure	474	189
Profit / (Loss)	(357)	849

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 report

Note 7 People and relationships Council and key management remuneration

7.1 (a) Related Parties

Parent entity

Warrnambool City Council is the parent entity.

Subsidiaries and Associates

Interests in associates are detailed in Note 6.3.

(b) Key Management Personnel

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

Councillors	Councillor Tony Herbert (Mayor from 1 July 2019 to 30 June 2020)
	Councillor Robert Anderson
	Councillor Sue Cassidy
	Councillor Kylie Gaston
	Councillor Peter Hulin (1 July 2019 to 12 February 2020)
	Councillor Michael Neoh
	Councillor David Owen
	Councillor Peter Sycopoulis (16 Mar 2020 to 30 June 2020)

Chief Executive Officer Mr Peter Schneider

Key Management Personnel Ms Vikki King - Director Community Development
Mr Scott Cavanagh - Director City Infrastructure
Mr Peter Utri - Director Corporate Strategies
Mr Andrew Paton - Director City Growth

	2020 No.	2019 No.
Total Number of Councillors	8	7
Chief Executive Officer and other Key Management Personnel	5	6
Total Key Management Personnel	13	13

(c) Remuneration of Key Management Personnel

	2020 \$'000	2019 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,331	1,277
Long-term benefits	26	24
Post-employment benefits	100	95
Total	1,457	1,396

Notes to the financial report

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

	2020	2019
	No.	No.
\$0 - \$9,999	1	-
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	5	5
\$40,000 - \$49,999	-	1
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	1	-
\$120,000 - \$129,999	-	1
\$180,000 - \$189,999	-	1
\$200,000 - \$209,999	1	3
\$210,000 - \$219,999	3	-
\$220,000 - \$229,999	-	1
\$350,000 - \$359,999	1	-
Total number	13	13

(d) Senior Officer Remuneration

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

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

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

	2020	2019
	No.	No.
Income Range:		
\$110,000 - \$119,999	1	-
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	2
\$170,000 - \$179,999	1	-
\$200,000 - \$209,999	1	-
Total number	4	4

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

2020	2019
\$'000	\$'000
\$656	\$630

(a) Transactions with related parties

During the period Council entered into the following transactions at arms' length and normal operating terms with related parties.

Councillor	Related Party	Nature of relationship	Terms and Conditions	Nature of Transaction	Aggregate total \$'000
Cr Neoh	South West Sport	Executive Officer	Commercial	Training workshops and contributions to community clubs	2
Cr Cassidy	The Cassign Trust trading as Cassign	Spouse-controlled entity	Commercial	Supply and installation of signage	43
Council	Corangamite Regional Library Corporation	Member Council	Commercial	Contribution to operations	926

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions at arms length and normal operating terms with related parties.

Councillor	Related Party	Nature of relationship	Terms and Conditions	Nature of Transaction	2020 \$'000	2019 \$'000
Cr Neoh	South West Sport	Executive Officer	Commercial	Rental of venues	0	(1)

(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:

2020 \$'000	2019 \$'000
0	0

(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:

2020 \$'000	2019 \$'000
0	0

Notes to the financial report

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

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.

Insurance Claim

Council was required to relocate one of their child care centres due to building maintenance issues which is covered under insurance, upon which a claim has been accepted. At reporting date, the quantum of the insurance claim is unknown.

(b) Contingent liabilities 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 is a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare Scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(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 2020 \$'000	2019 \$'000
City Memorials Bowls Club - Commonwealth Bank	2,000	2	3
Warrnambool Returned Services Club - Commonwealth Bank	3,351	2,726	2,822
Warrnambool Football Netball Club - Commonwealth Bank	800	670	722
Old Collegians Football Netball Club - NAB	100	96	82
Dennington Football Netball Club - Bendigo Bank	49	44	48
Dennington Bowls Club - Bendigo Bank	100	31	21

8.2 Change in accounting standards

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

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

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

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements. Based on the Council's current assessment, there is expected to be no material impact on the transactions and balances recognised in the financial statements.

Notes to the financial report

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

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

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

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

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

(c) Credit risk

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

- council may require collateral where appropriate; and

- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy. Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired. Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity risk

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

To help reduce these risks Council:

- 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 liquid instruments, such as term deposits and at call accounts;

- monitor budget to actual performance on a regular basis; and

- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -0.25% in market interest rates (AUD) from year-end rates of 0.25%.

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.

Notes to the financial report

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.

AASB 13 defines fair value as 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. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 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 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 Impact of COVID 19 pandemic on Warrnambool City Council operations and 2019-20 financial report:

On 30 January 2020, COVID 19 was declared as a global pandemic by world health organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted Warrnambool City Council operations in the following areas for the financial year ended 30 June 2020:

- In response to significant government directive amidst the COVID-19 outbreak, a number of facilities were closed, including Aquazone, Flagstaff Hill, Holiday Parks, the Lighthouse Theatre, Warrnambool Stadium and the Warrnambool Art Gallery. These closures resulted in a decrease in the council user fee revenue by \$1.41 million and also decreased associated expenses by \$0.61 million to the 30th June 2020.

- Warrnambool City Council has complied with the terms under the Commercial Tenancy Relief Scheme relating to eligible commercial rent agreements. Under the scheme, Warrnambool City Council has offered a 6 months deferral of rent with 50% of the rental for this period waived. This applies from 29th March 2020. This resulted in a decrease in rental revenue of \$0.03 million for the portion of waiver in 2019/20.

- Council has an active hardship policy and this has been utilised in response to COVID19.

- Financial impact till date from deferral of rates revenue/ interest free period is \$0.24 million.

- Warrnambool City Council has established a community and business support fund for the 2020/21 financial of \$1.951 million. This is broken down into:

- Community and Business Support Stimulus Fund - \$450k
- Community Small Infrastructure Fund - \$891,000
- Economic Development Unit - \$545,000
- Community Development Grants - \$65,000

8.6 Events occurring after balance date

On July 13, 2020, at a Special Council meeting, the contract of a key management personnel was terminated with immediate effect. Council met the obligations in respect of the employment contract and the following represents the Key Management Personnel remuneration for 2020/21:

	2021 \$'000
Total remuneration of key management personnel was as follows:	
Short-term benefits	25
Post-employment benefits	2
Termination benefits	337
Total	364

Notes to the financial report

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves	Balance at beginning of reporting period \$'000	Increment/ (detriment) \$'000	Balance at end of reporting period \$'000
2020			
Property			
Land	124,063	188	124,251
Buildings	99,206	(7,093)	92,113
	223,269	(6,905)	216,364
Infrastructure			
Roads	99,350	-	99,350
Bridges	15,346	-	15,346
Footpaths and cycleways	677	-	677
Drainage	21,218	-	21,218
Corangamite Regional Library Corporation	706	-	706
Aerodrome	238	-	238
Artworks	2,640	-	2,640
Other infrastructure	29,041	-	29,041
	169,216	-	169,216
Total asset revaluation reserves	392,485	(6,905)	385,580
2019			
Property			
Land	124,063	-	124,063
Buildings	99,206	-	99,206
	223,269	-	223,269
Infrastructure			
Roads	135,625	(36,275)	99,350
Bridges	15,346	-	15,346
Footpaths and cycleways	677	-	677
Drainage	21,218	-	21,218
Corangamite Regional Library Corporation	706	-	706
Aerodrome	-	238	238
Artworks	1,585	1,055	2,640
Other infrastructure	29,041	-	29,041
	204,198	(34,982)	169,216
Total asset revaluation reserves	427,467	(34,982)	392,485

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.
The Corangamite Regional Library Corporation recognises the fair value of revalued assets in their books.

Notes to the financial report

Note 9
cont'

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
9.1 (b) Other reserves				
2020				
Main drainage fund	954	-	205	749
Committed reserve	3,807	2,081	-	5,888
Heritage restoration fund	45	-	-	45
Insurance claims reserve	90	-	-	90
Information technology reserve	131	-	-	131
Art gallery reserve	47	-	-	47
Resort and recreation reserve	292	19	-	311
Car park fund	21	75	-	96
North of the Merri developer contribution reserve	391	689	-	1,080
Hopkins Point Road developer contribution reserve	13	-	-	13
Northeast DCP	549	-	549	-
Total other reserves	6,340	2,864	754	8,450
2019				
Main drainage fund	63	891	-	954
Committed reserve	4,077	-	270	3,807
Heritage restoration fund	45	-	-	45
Insurance claims reserve	90	-	-	90
Information technology reserve	131	-	-	131
Art gallery reserve	46	1	-	47
Resort and recreation reserve	414	-	122	292
Car park fund	21	-	-	21
North of the Merri developer contribution reserve	382	9	-	391
Hopkins Point Road developer contribution reserve	13	-	-	13
Northeast DCP	655	-	106	549
Total other reserves	5,937	901	498	6,340

Main Drainage Fund is maintained specifically for future major drainage works.
Committed Reserve is specifically for future works and Councils 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 DCP Developer Contributions Reserve is maintained specifically for contributions held for the growth areas of Dales Road and Aberline Road.

Notes to the financial report

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	2020 \$'000	2019 \$'000
Surplus/(deficit) for the year	12,440	13,961
Add / (deduct) non-cash items:		
Depreciation	12,138	11,750
Amortisation	247	-
Bad and doubtful debts expense	249	332
Interest on lease liabilities	36	-
Profit/(loss) on disposal of property, infrastructure, plant and equipment	107	1,166
Contributions - Non-monetary assets	(4,851)	(4,629)
Found assets	(84)	(2,956)
Share of net (profits) or loss of associates	-	(54)
Prior year WIP written off	93	1,063
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(287)	(406)
(Increase)/decrease in prepayments	(203)	(100)
(Increase)/decrease in accrued income	(272)	106
(Increase)/decrease in inventories	(27)	(2)
Increase/(decrease) in trust deposits	(51)	340
Increase/(decrease) in trade and other payables	628	254
(Increase) decrease in unearned income	1,408	-
Increase/(decrease) in provisions	23	(19)
Increase/(decrease) in accrued expenses	234	179
Increase/(decrease) in net GST	151	(162)
Net cash provided by/(used in) operating activities	21,894	20,823

9.3 Superannuation

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

Accumulation

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

Defined Benefit

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

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

Funding Arrangements

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

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

As at 30 June 2019, an interim actuarial investigation was held as

the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

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

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

Employer Contributions

Regular contributions

On the basis of the results of the 2017 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

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

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

Notes to the financial report

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 2019 interim actuarial investigation surplus amounts

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

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

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

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

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2017: August 2018).

The 2020 interim actuarial investigation

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

	2020 Triennial investigation	2017 Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.50% pa for the first two years and 2.75%pa thereafter	3.5% pa
Price inflation	2.0% pa	2.5% pa

Superannuation contributions

Contributions by Warrnambool City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 \$'000	2019 \$'000
Vision super	Defined benefit	9.50%	194	247
Vision super	Accumulation fund	9.50%	2,329	2,470
Other Funds	Accumulation fund	9.50%	167	14
			2,690	2,731

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$0 paid during the 2019/20 year (2018/19 \$0).

There were \$296k contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 is \$170k.

10 Change in accounting policy

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

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

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

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

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

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

b) AASB 16 Leases

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

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

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

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

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

Notes to the financial report

d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019 \$'000
Retained earnings at 30 June 2019	218,708
Revenue adjustment - impact of AASB 15 Revenue from Contracts with Customers	(3,437)
Retained earnings at 1 July 2019	<u>215,271</u>

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16 Leases.

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

	As reported 30 June 2019 \$'000	Adjustments \$'000	Post adoption \$'000
Assets			
Right of use assets	-	220	220
	-	220	220
Liabilities			
Unearned income - operating grants	-	73	73
Unearned income - capital grants	-	3,364	3,364
Lease liability - current	-	123	123
Lease liability - non-current	-	97	97
	-	3,657	3,657