



Benalla Rural City Council Annual Report 2023/2024

OUR VISION

To provide a sustainable, thriving and cohesive community where lifestyle, culture, health and wellbeing are supported by strong leadership and community partnership.

Acknowledgement of Country

We acknowledge the traditional custodians of the land on which we live and work and pay our respect to their Elders past and present.

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



***"Coming together is the beginning. Keeping together is progress.
Working together is success."***

– Henry Ford

At the Benalla Rural City Council, we have been guided by a dedicated group of elected members that have played a crucial role in setting strategy and have trusted staff to deliver their vision and to succeed. Their commitment to advocacy, policy development, and community engagement has not only strengthened local governance but has also enhanced the overall well-being of our community.

A key measure of success is the level of employee engagement and satisfaction. In December 2023, the Benalla Rural City Council was awarded the *Xref Engage 2023 Change Champion Award*. This award recognises organisations that have made exceptional improvements in work practices and employee engagement. This positive workplace culture is essential in being able to deliver a vision and ultimately to succeed.

The commonly held view of councils being confined to roads, rates and rubbish is long gone. Many communities are asking more of their local council. The *Benalla Rural City Council 2023-2024 Annual Report* provides an excellent overview of the range of services that we have delivered over the past twelve months.

A key learning over the past twelve months and a focus for the coming year will be communication. Communicating success is vital for building trust, encouraging community engagement, and showcasing the impact of local government initiatives.

In responding to the Parliamentary Inquiry into Local Government Sustainability, the Municipal Association of Victoria stated that, *'financially sustainable councils can, and are often required to, step in and respond to issues as they emerge - from addressing social issues to emergency response and recovery. We need to ensure that councils have the ongoing capacity to prevent, step in and respond to local issues as they arise. There are serious risks to the financial sustainability of Victorian councils. Increasingly, councils report underlying deficits, reductions in unrestricted cash and working capital, and deteriorating asset renewal rates.'*

Financial sustainability requires a proactive approach, balancing revenue generation with responsible spending. Whilst increased funding from other levels of government is essential, as a council we have made strategic decisions that will create a diversified revenue base that supports long-term financial sustainability.

The significance of the sale of the council owned industrial land Enterprise Park will see approximately one-hundred new industrial lots developed in the coming years. This development will bring in new investment, jobs growth, and diversify our local economy. The development of this industrial precinct will generate additional rates revenue and provide for a more sustainable financial future. It will also serve as a catalyst for continued population growth and retention of our current and future workforce.

The second initiative has been the council's decision to support the renewable energy sector. With two operating solar farms, a third under construction and three more set to be delivered over the coming years, the '*payment in lieu of rates*' framework will provide for increased revenue to the council for many years to come. This additional revenue will improve our financial sustainability.

In addition to these initiatives planning is well underway to assess future hard and soft infrastructure that will support growth and to increase our capacity to achieve future prosperity and sustainability. We look forward to continuing to work with our partners in local, state, and federal government to achieve meaningful outcomes.

Since January 2022 we have responded to five natural disaster events that continue to impact our financial position. Claims for reimbursement of council funded emergency works have been submitted in accordance with the Disaster Recovery Funding Arrangements which is a cost sharing arrangement between the Commonwealth and State governments. The most recent event in January 2024 resulted in a repair bill of almost \$1m. The swift response from councils' staff and emergency service personnel quickly opened roads and removed much of the debris from the storm damage.

At the end of 2023/24, Councils financial report records an operating surplus of \$1.8m for the year and an end of year cash and term deposit balance of \$26.7m, after completing \$7.014m of capital project works during the year.

Some of the major capital projects completed for 2023/24 were:

- Kerb and channel replacement program
- Bicycle and walking path renewal program
- Reconstruction of the Ackerly Avenue roundabout
- Replacement of the lakeside boardwalk adjacent to the art gallery
- Devenish Drainage project
- Upgrade to the Baddaginnie Jubilee Hall public toilets
- Denny Street carpark upgrade
- Rural bridge renewal program
- Redevelopment of the Visitor Information Centre
- Upgrade of the Town Hall
- Construction of our first purpose-built dog park.

In addition to the above, the Council supported fifteen rural township projects to the value of \$432,000. Projects included upgrades to community facilities, installation of playgrounds, carpark upgrades, and fence replacements. This is the second round of rural projects that the council has supported in recent years with a further \$335,000 being allocated to twenty-four projects in the 2021 and 2022 financial years. Continuing to support our rural communities is vital to ensure these growing communities continue to thrive.

I would like to express my sincere gratitude for the continued financial support of the Victorian and Australian governments. Your funding plays a crucial role in enabling us to deliver a range of programs and projects which make a positive impact on our community.

I would like to thank my staff for their tireless work, the elected members for their commitment and the spirit in which they serve the community, and the community for continuing to engage with the Council. I would also like to thank our wonderful volunteers that assist the Council in a range of activities.



Dom Testoni
Chief Executive Officer

THE YEAR AT A GLANCE

July 2023



Council introduced textile recycling at the Benalla Landfill and Resource Recovery Centre, in partnership with Upcycle4Better. This initiative aims to reduce textile waste and promote sustainability within the community.



Benalla celebrated NAIDOC week under the theme “For Our Elders” drawing an impressive turnout of over 120 community members. The celebrations marked a significant moment of unity and respect.

August 2023



Council delivered new LED lighting installed along the pathways linking Bridge Street Art Gallery entrance to Wedge Street in the Botanical Gardens thanks to funding from the Victorian State Government’s Building Safer Communities program.



New signage was installed at the Lake Benalla Foreshore. The signage highlights our beautiful lake walking trail, the region's Silo Art Trail, Benalla Street Art offerings and more. Milestone plinths have also been installed around the lake, to mark the 4.25km trail around the lake starting at the new Visitor Information Centre.

September 2023



Thursday 14 September saw the official opening of the newly redeveloped Benalla Visitor Information Centre, Kelly Costume Museum and the Benalla Cinema at 14 Mair Street. The building was officially opened by Cr Bernie Hearn and the Member for Northern Victoria the Hon. Jaclyn Symes.

October 2023

A public electric vehicle (EV) charging station was been installed in Benalla's Denny Street carpark.

Featuring two parallel accessible parking bays, the 50kw Evie Networks EV charging station supports CHAdeMO and CCS Type 2 DC connectors, catering for most EV vehicles on the road.

The installation of this charger is in line with Council's commitment to reduce greenhouse gas emissions.



Churchill Reserve Dog Park was officially opened on Thursday 26 October in front of a large crowd of community members bound by their love for their four-legged companions.



November 2023

Councillor and former Mayor, Cr Don Firth was presented with a Councillor Service Award for 10 years of service by the Municipal Association of Victoria (MAV).



Benalla Rural City Councillor Danny Claridge was elected as Mayor for a 12-month term at the November Council meeting. Cr. Claridge, who was first elected to Council in November 2016, previously served as Mayor from November 2019 to November 2021. His commitment reflects his deep dedication to the people of Benalla.

Cr. Justin King was re-elected as Deputy Mayor.



November saw the return of The Benalla Festival celebrated with the theme Past, Present, Future. Festival organisers were delighted with the attendance, with Benalla by the Lake drawing its largest ever crowd.



The new transfer station opened at the Benalla Landfill and Resource Recovery Centre.

The new transfer stations changed the way residents dispose of waste at the Landfill by unload waste and recyclables from your vehicle in a safer, easier and cleaner way.

It was designed to maximise efficiencies and reduce the carbon footprint of waste disposal in Benalla Rural City.



December 2023

The community came together for a spectacular community Christmas celebration, bringing together families and friends for an unforgettable evening of joy and festivities at the Splash Park.

The highlight of the evening was the ceremonial lighting of the town Christmas tree, creating a radiant centrepiece for the festivities. The event also featured the unveiling of the new Christmas precinct and a visit from Santa.



Benalla residents are invited to participate in community consultation, providing input on the preferred location for the redevelopment of the Benalla Indoor Recreation Centre (BIRC).

With a substantial \$15 million grant from the State Government, Benalla Rural City Council has committed to the construction of a facility aligned with the community's needs, fostering active and healthy lifestyles.



January 2024

Australia Day events were held in Baddaginnie, Benalla, Devenish, Goomalibee, Goorambat, Lima, Molyullah, Tatong, Thoona and Warrenbayne and at BPACC.

Eight new Australian Citizens received their citizenship.



Benalla rocked out to a musical showdown as Council's youth services FReeZA program, proudly presents the Battle of the Bands Grand Final. This event is a celebration of the extraordinary young talent from across North-East Victoria.

The event, organised by FReeZA, emphasises a commitment to a safe and inclusive environment.



February 2024

Council gave the green light to the Benalla Fawckner Drive Masterplan, marking a significant milestone in the enhancement of an important, centrally located community space. The Masterplan proposes various enhancements, including upgrades to existing facilities, installation of new amenities such as a Pump Track and a flying fox, and improvements to pedestrian pathways. Additionally, it incorporates versatile spaces for events, sports activities, picnics, and fitness.



March 2024

Council recently launched its 2024 Community Grants Program, with \$64,000 in total available for local community organisations. The program is designed to foster projects and activities that contribute to building healthy, vibrant, and sustainable communities across Benalla Rural City.

To assist older drivers to gain the necessary experience to become safer drivers and gain their probational license, Council introduced the 'Drive to Independence Program' in partnership with the Rotary Club of Benalla.



The Australian Government awarded \$482,462 to 15 volunteer organisation groups within the municipality. The funds, which were part of the Local Roads and Community Infrastructure (LRCI) Program, were instrumental in supporting the completion of various projects, aimed to enhance the infrastructure and overall wellbeing of our rural townships.



After a five-year hiatus the return of the Benalla Street Art Festival was a resounding success! Locals and visitors enjoyed watching on as 16 new vibrant murals adorning Benalla's CBD, created by 15 talented local and international artists.

The festival is supported by a diverse line-up of fringe events, including live music, cinema screenings, immersive art experiences, workshops, exhibitions and more.



April 2024

In collaboration with Live4Life, Youth Mental Health First Aid training was offered to equip adults with essential skills to support young people facing mental health challenges, fostering a more supportive community.



Council allocated a total of \$12,000 to arts, entertainment, and community projects, as part of its 2023/24 Major Events Funding program. The Molyullah Recreation and Public Hall Reserve was among the recipients of funds to put towards the annual Molyullah Easter Sports.



200 learner drivers who have successfully gained their driver's licence through Benalla Rural City Council's TAC L2P Learner Driver Program. The program is an example of how the community is working together to assist young people get their driver licence and be safe drivers in the future.



May 2024

The Benalla P-12 College Barkly Street Campus was named the preferred site for the Benalla Indoor Recreation Centre (BIRC) Redevelopment project. In collaboration with Brand Architects, Council will create an inclusive sporting hub for all ages, promoting active and healthy lifestyles.



During the development of the Fawckner Drive Masterplan, the community identified the pump track as a priority project. \$300,000 was welcomed by the Victorian State Government to put towards the development of a pump track.



June 2024

The community came together officially open 'Taking Flight,' a sculpture dedicated to Arthur Baird. Baird, who was born and educated in Benalla, was the first chief engineer for Qantas and an inductee into the Australian Aviation Hall of Fame. This project is made possible thanks to \$150,000 worth of funding as part of the \$2.5M Building Works Package.



With maintenance at the forefront of Council's operations a Skidsteer with attachments including bucket, log grapple, smudge bar and mulcher was purchased. This piece of equipment can perform many jobs including digging, lifting, land clearing, mowing/mulching and transporting materials.



Nearly 700 residents across the region have enjoyed 11 rural community events thanks to Council's Social Inclusion Action Group (SIAG) program. Funded by the Victorian Government Department of Health, SIAG is designed to foster community connection and enhance mental well-being.



FINANCIAL SUMMARY

The Council’s financial position continues to remain sound, however, ongoing underlying surpluses continue to be a challenge with the Council reliant on funding from other levels of government to ensure its long-term financial sustainability.

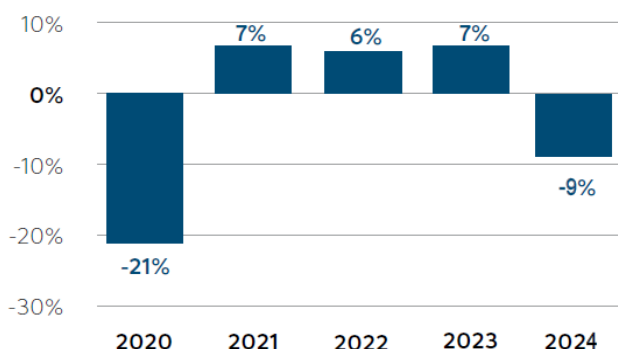
A summary of our performance is outlined below. Detailed information relating to the Council’s financial performance is included within the financial statements and performance statement sections of this report.

Operating position

Council achieved an operating surplus of \$1.787 million against a budgeted surplus of \$9.453 million. As detailed in Note 2 of the Financial Report, a range of factors have contributed to this result. Major unfavorable variances were operating grants (\$2.890 million less than budgeted) and capital grants (\$10.662 million less than budgeted). These were partially offset by favourable revenue variances: Contributions – non monetary (\$1.759 million more than budgeted) and Other Income \$1.223 greater than budgeted (due to increased investment rates \$836,000 and recognition of found infrastructure assets \$387,000). Less depreciation expense (\$1.252 million than budgeted) and materials and services expenses (\$759,000 expenditure less than budgeted).

Adjusted Underlying Result

The adjusted underlying result decreased from 7 percent to -9 percent, primarily due to the early allocation of \$4.541 million of 2023/24 Financial Assistance Grants in June 2023.

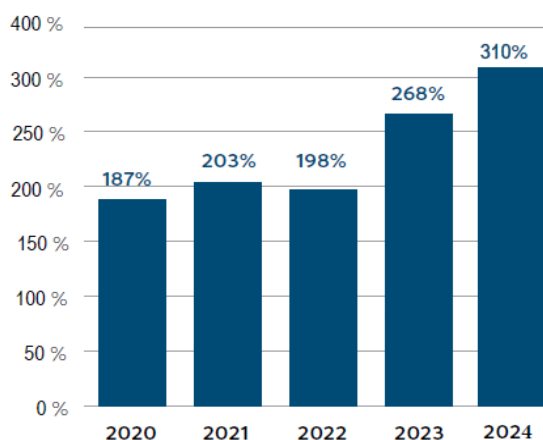


Liquidity

Liquidity has reduced due to a decrease in current assets compared to current liabilities since last year primarily due to a decrease in unearned income/revenue due to delivery of grant funded projects.

While cash and cash equivalents have decreased by \$396,000, term deposits have increased by \$566,000 from the prior year. Current liabilities decreased by \$1.852 million, primarily due to a decrease in contract and other liabilities (\$2.386 million) offset by an increase in trade and other payables (\$1.342 million).

The working capital ratio, which assesses the Council’s ability to meet current commitments, is calculated by measuring the Council’s current assets as a percentage of current liabilities. The 2023/24 result of 310 percent is an indicator of satisfactory financial position and within the target band.



Borrowings

There were no new borrowings in 2023/24. Council’s indebtedness continued its downward trend from 55 percent to 46 percent. Loans at 30 June totalled \$2.250 million.

A summary of the Council's financial position for the past four years as at 30 June can be found in the table below:

	2020/21	2021/22	2022/23	2023/24
	'000	'000	'000	'000
Total Revenue	\$36,589	\$39,300	\$45,464	\$38,178
Total Expenses	\$31,120	\$34,449	\$40,286	\$36,391
Surplus (Deficit)	\$5,469	\$4,851	\$5,178	\$1,787
Working Capital	203%	198%	268%	310%
Total Assets	\$289,957	\$320,640	\$323,709	\$350,453
Net Assets	\$264,724	\$289,105	\$297,218	\$326,856
Rates and Charges	\$19,027	\$19,978	\$21,000	\$22,263
Adjusted Underlying Result	7%	6%	7%	-9%
Asset Renewal and Upgrade	40%	47%	90%	73%
Indebtedness	50%	59%	55%	46%
Capital Projects	\$5,967	\$6,525	\$7,458	\$7,014

Major Capital Works

During 2023/24 \$7.014 million of capital works were undertaken, with \$2.161 million of new asset expenditure, \$3.203 million of asset renewal and \$1.650 million of asset upgrade expenditure.

Key expenditure areas were:

	2023/24
Roads	\$2.280 million
Waste management	\$2.308 million
Buildings	\$1.134 million
Footpaths and cycleways	\$633,000
Drainage	\$562,000

Economic Factors Update

Benalla Rural City, particularly the Benalla urban area, continued its strong rate of population growth, which continued to put pressure on the local property market. This was reflected by a continued increase in income received from Building and Planning fees and a rise in rateable properties.

Rising inflation increased costs across the organisation, particularly relating to maintenance and capital works projects.

The Victorian Government's Council Rate Cap was set at 3.5 percent for the 2023/24 year. Council did not seek an exemption.

Significant Events Update

A flood event in October 2022 caused significant damage to civil infrastructure resulting in impairment of Council assets. In 2023/24 Council did not experience major natural disaster event, however, the prior year floods did impact delivery of Capital Projects throughout 2023/24 due to flood recovery works.

For further information on the Council's financial performance, refer to the Financial Report.

About us



OUR MUNICIPALITY

POPULATION 14,529	AREA 235,264 ha	TOWNSHIPS BENALLA BADDAGINNIE DEVENISH GOORAMBAT SWANPOOL THOONA TATONG WINTON
DISTANCE TO MELB 193 KM	RATEABLE PROPERTIES 8,495	
COUNCIL EMPLOYEES 112.3 EFT	COUNCILLORS 7	

Benalla Rural City is 193km north-east of Melbourne and is centred in the Broken River valley. The current estimated resident population of Benalla Rural City is 14,592, with approximately 9,000 residents in the Benalla urban area and the remainder living in and around our smaller towns.

Benalla Rural City is divided by the Hume Freeway with hills, valleys, grazing land and forests to the south and plains and rolling hills used as cropping and grazing land to the north.

The communities south of the Freeway are Archerton, Boho South, Glenrowan West, Lima, Lima East, Lima South, Lurg, Molyullah, Moorngag, Samaria, Swanpool, Tatong, Upper Lurg, Upper Ryan's Creek, Warrenbayne and Winton. Communities

to the north are Baddaginnie, Benalla, Boweya, Boxwood, Broken Creek, Bungeet, Chesney Vale, Devenish, Goomalibee, Goorambat, Stewarton, Taminick, Tarnook and Thoona.

Our largest employing industries are health, manufacturing and agriculture. The main health sector employers include Benalla Health, Estia Health and Coinda

The manufacturing sector includes Thales Australia, D & R Henderson Pty Ltd, Schneider Electric (Australia) Pty Ltd and LS Precast.

Our rural areas are recognised for their good soils and access to irrigation. The major agricultural industries include wool and meat production and broadacre cropping.

Agricultural diversification has seen a rise in viticulture and other more intensive forms of horticulture and forestry.

With two large solar farms operational in Winton and Glenrowan West and several approved for construction in the north and east of the municipality, Benalla Rural City is playing its part in green energy production in Victoria.

Benalla Rural City offers a choice of primary and secondary schools, a TAFE college, comprehensive health services and participation opportunities including sport, music, wine and art.

Benalla Rural City has well developed disability, aged and child care services.

Some of the main visitor attractions include Winton Motor Raceway, Benalla Art Gallery, Winton Wetlands, the Silo Art Trail and street art in and around Benalla.

Benalla Rural City



Our Council

Vision

To provide a sustainable, thriving and cohesive community where lifestyle, culture, health and wellbeing are supported by strong leadership and community partnership.

Purpose

Through leadership and quality service we will meet our community's needs and aspirations with a focus on thoughtfully planned growth to maintain and enhance the high productivity of our collective community.

Values

We will:

ACCOUNTABILITY

Construct plans and govern the community of Benalla Rural City with unwavering accountability.

CONTINUOUS IMPROVEMENT

Strive for continuous improvement.

EQUITY

Make judgments based on sound research and participate in decision making that meets the needs of the whole community in solid equity.

INTEGRITY

Act with transparency, truthfulness and integrity.

LEADERSHIP

Provide clear, innovative and strong leadership.

RESPECT

Serve our community, environment and council with respect.

Our Councillors



Cr Danny Claridge

First elected: Oct 2016
Re-elected: Oct 2020



Cr Justin King

First elected: Oct 2012
Re-elected: Oct 2020



Cr Bernie Hearn

First elected: Oct 2016
Re-elected: Oct 2020



Cr Don Firth

First elected: Nov 2008
Re-elected: Oct 2016,
Oct 2020



Cr Peter Davis

First elected: Nov 2005
Re-elected: Nov 2008,
Oct 2012, Oct 2016, Oct 2020



**Cr Punarji Hewa
Gunaratne**

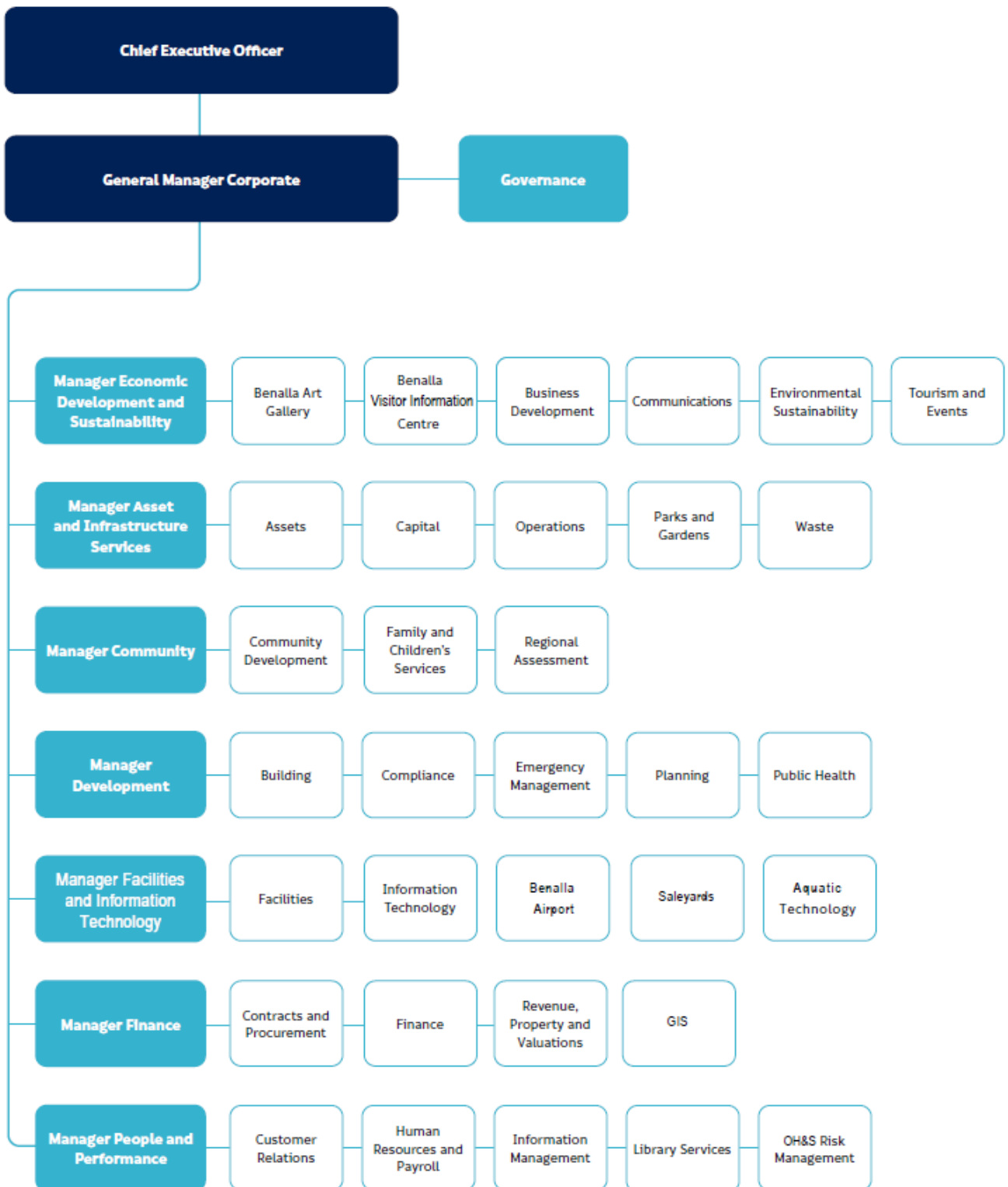
First elected: Oct 2020



Cr Gail O'Brien

First elected: Oct 2020

OUR ORGANISATION



OUR WORKFORCE

Employees

Type By Gender	Number	EFT
Full-time - female	29	29.0
Full-time - male	54	54.0
Full-time - self-described gender	0	0.0
Part-time - female	47	25.8
Part-time - male	6	1.7
Part-time - self-described gender	0	0.0
Casual	18	1.8
Total	154	112.3

Type By Band	Female EFT	Male EFT	Self-Described Gender EFT	Total EFT
Band 1	2.6	1.0	0.0	3.6
Band 2	0.0	0.0	0.0	0.0
Band 3	0.0	15.0	0.0	15.0
Band 4	17.1	11.7	0.0	28.8
Band 5	6.7	6.0	0.0	12.7
Band 6	16.0	3.0	0.0	19.0
Band 7	5.2	7.0	0.0	12.2
Band 8	1.0	7.0	0.0	8.0
Band not applicable	6.2	5.0	0.0	11.2
Casual	1.0	0.8	0.0	1.8
Total EFT	55.8	56.5	0.0	112.3

Victorian Charter of Human Rights and Responsibilities

The Victorian Charter of Human Rights and Responsibilities is a legal document requiring all public authorities to act in compliance with its standards and provides legal protection over the basic freedoms and rights of all Victorians. All public authorities and their employees are obliged to act compatibly with the Charter.

Health and Safety

Benalla Rural City Council continues to explore opportunities to enhance our existing Occupational Health and Safety (OHS) arrangements through the development and implementation of policies and procedures to establish a structured OHS Management Framework that achieves the goals of legislative compliance and best practice in safety across all our operations.

Benalla Rural City Council is committed to the continuous improvement of our health and safety performance with the highest priority being the provision of systems of work that support our employees to work safely. Our goal is to minimise the number of workplace injuries and illnesses.

The Council provides an online system that enables employees to report all incidents and hazards they identify in the workplace. OHS inductions are embedded as standard onboarding training.

The outcomes of audit and review processes continue to guide and inform potential opportunities for further improvements to Council's safety management systems. In 2023/2024 there were 41 reported incidents.

Learning and Development

Benalla Rural City Council recognises the benefit of supporting staff to increase their professional development. Council acknowledges the value gained from staff advancing their qualifications and acquiring enhanced skills and knowledge that can be applied throughout the workplace.

Staff engage in a broad range of learning and development programs each year, focusing on a mix of on-the-job experience, online and instructor lead training and formal education.

Employee Assistance Program

Benalla Rural City Council provides an Employee Assistance Program (EAP) for Councillors, employees and family members and volunteers.

The EAP aims to ensure that all employees who experience hardship are able to discuss in confidence matters either work related or personal that may be impacting on their lives.

Preventing Violence Against Women

The Benalla Rural City Council *Gender Equality Action Plan (GEAP) 2021-2025* forms part of a strategy that will support Council to be a more inclusive and gender diverse place to live and work. Our GEAP outlines our long-term plan in relation to gender equality, diversity and inclusion and details our objectives and what we will undertake to meet our obligations under the *Gender Equality Act 2020*.

Benalla Rural City Council is committed to addressing the impact of family violence in the community by raising awareness through the organisation and working in partnership with Family Violence Support Services.

As an organisation we will embed a culture of primary prevention throughout our organization and community. Our Workplace Family Violence Policy supports staff who are experiencing family violence through the provision of unlimited Family Violence Leave to attend medical appointments, legal proceedings and/or other preventative activities.

Family violence is a serious issue in our society. The Council is committed to playing a supportive role to staff subjected to family violence and in any other personal emergency. The Council accepts the definition of family violence as stipulated in the *Family Violence Protection Act 2008 (Vic)* understanding that it includes physical, sexual, financial, verbal or emotional abuse.

Equal Employment Opportunity

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

Our equal opportunity policy and procedure reflects our further commitment to ensuring a workplace free from bullying and harassment. Our aim is to ensure there is no discrimination relating to the characteristics listed under the *Victorian Equal Opportunity Act 2010* such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation.

Gender Equality

Under the *Gender Equality Act 2020*, Benalla Rural City Council has developed our *Gender Equality Action Plan (GEAP) 2021-2025*.

Our GEAP outlines our long-term plan in relation to gender equality, diversity and inclusion and details our objectives and what we will undertake to meet our obligations under the *Gender Equality Act 2020*.

Code Of Conduct

The *Local Government Act 2020* requires the establishment of a 'Code of Conduct' for Council staff. Under the code, staff are required to act impartially, act with integrity (including avoiding conflicts of interest), accept accountability for results and provide responsive service.

The Staff Code of Conduct provides a set of guidelines that connect staff decision-making, behaviour and actions to the vision, mission and values of the organisation.

It is designed to guide staff on the standards expected of them as they carry out their work. Those standards include honesty and integrity, and a commitment to treating all people with courtesy and respect.

Volunteers

Benalla Rural City Council is committed to providing opportunities for community members who wish to give their time, skills and enthusiasm, and enjoy giving back to the community while fostering connections and learning more about the region they live in.

Volunteering helps build and support our local communities, strengthens networks, and provides a sense of belonging and connection. Volunteers play a critical role within our organisation by assisting in the delivery of important services and programs.

Through these programs, thousands of hours of volunteered time are dedicated to working for and assisting the community each year.

Our Performance

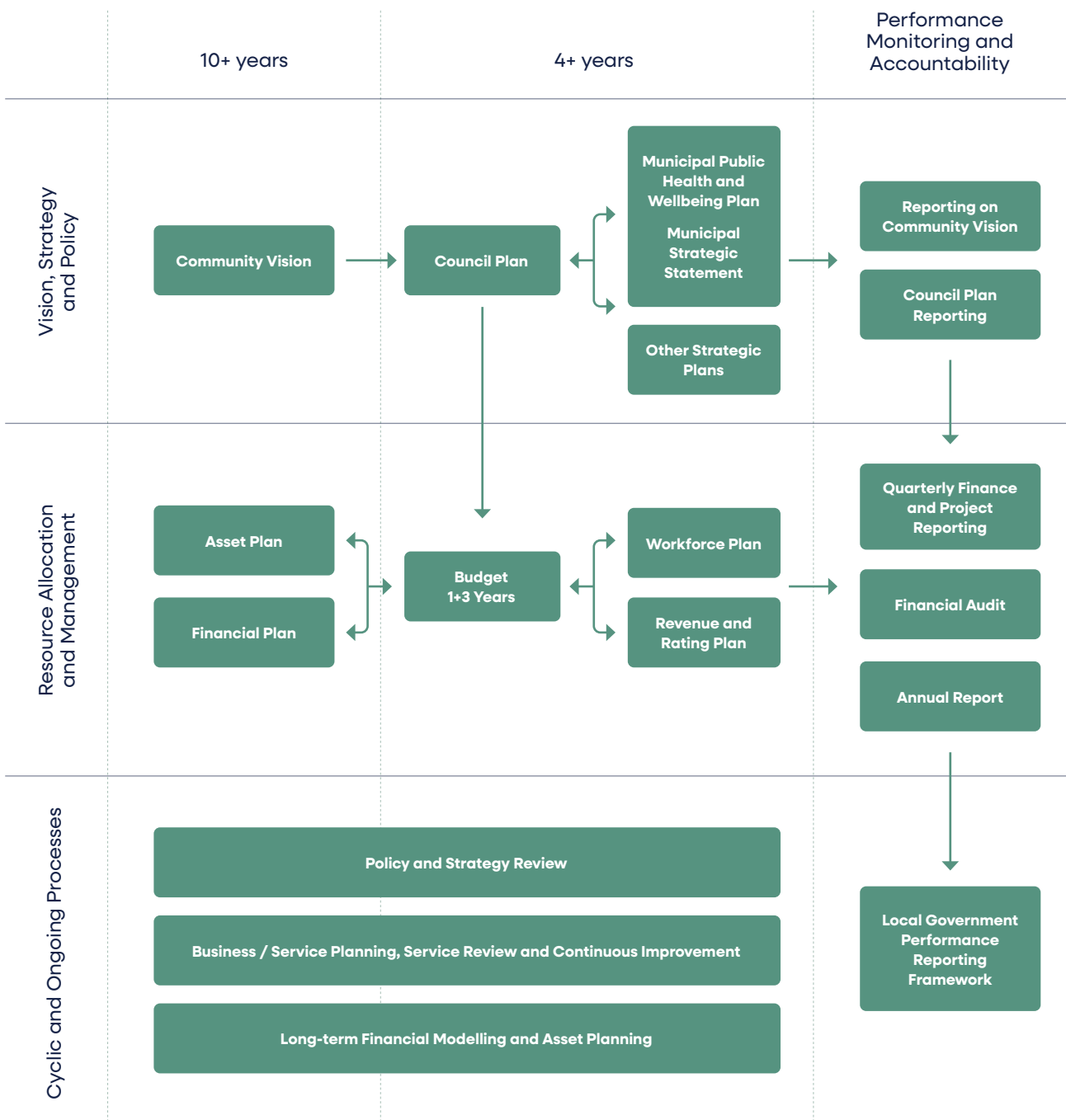


How Council works

The Council, which is democratically elected every four years, meets regularly to make decisions that are informed by consultation with the community. These decisions are implemented by staff employed by the Council. The CEO is the only member of staff directly employed by the Council.

All other staff are employed by the CEO under delegated authority from the Council.

The diagram below outlines how the Council develops, implements and reports on the community's priorities under an integrated planning and reporting framework.



Service Performance Indicators

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

Service Performance Indicators Service / Indicator / Measure	Results 2021	Results 2022	Results 2023	Results 2024	Comments
Aquatic Facilities					
Service standard					
Health inspections of aquatic facilities <i>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</i>	3.00	3.00	4.00	5.00	The result for this measure has increased due to increased inspections and water sampling conducted at the facility following a flood event.
Utilisation					
Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	2.14	3.55	4.74	3.89	This measure has decreased due to lower than usual summer season temperatures resulting in lower casual entries to the facility. The adjacent free Splash Park is also thought to be influencing lower casual swim entry numbers.
Service cost					
Cost of aquatic facilities <i>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</i>	\$22.50	\$16.75	\$10.83	\$17.54	This measure has increased due to lower entry numbers in the prior year, plant and equipment maintenance costs increased due to breakdowns more than budget, staff oncosts increased due to wages growth, and the cost of materials and services increased greater than inflation forecasts used to set budgets at the start of the financial year.
Animal Management					
Timeliness					
Time taken to action animal management requests <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	1.00	1.00	1.00	1.00	No material variation.
Service standard					
Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected] x100</i>	40.35%	50.54%	52.04%	43.29%	This measure has decreased due to inaccuracy of reporting data with existing systems. This should stabilise when new systems implemented.
Animals rehomed <i>[Number of animals rehomed / Number of animals collected] x100</i>	0.00%	0.00%	0.00%	0.00%	Council does not operate a rehoming service. This is undertaken by our contract pound service provider.

Service Performance Indicators Service / Indicator / Measure	Results 2021	Results 2022	Results 2023	Results 2024	Comments
Service cost					
Cost of animal management service per population <i>[Direct cost of the animal management service / Population]</i>	\$18.35	\$24.92	\$27.45	\$29.37	No material variation.
Health and safety					
Animal management prosecutions <i>[Number of successful animal management prosecutions / Number of animal management prosecutions] x100</i>	100.00%	60.00%	100.00%	100.00%	No material variation for 23/24. Result in 2022 due to two unsuccessful animal management prosecutions.
Food Safety					
Timeliness					
Time taken to action food complaints <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	1.00	1.00	1.00	1.00	No material variation.
Service standard					
Food safety assessments <i>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</i>	77.59%	50.00%	33.61%	31.01%	No material variation.
Food safety samples <i>[Number of food samples obtained / Required number of food samples] x100</i>	New	New	New	100.00%	New indicator for 2023/24.
Service cost					
Cost of food safety service <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$420.52	\$554.60	\$628.20	\$421.99	2023 result included costs associated with two expensive and extraordinary food safety investigations.
Health and safety					
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</i>	0.00%	0.00%	0.00%	0.00%	No critical and major non-compliance outcome notifications for the 2023 calendar year.

Service Performance Indicators Service / Indicator / Measure	Results 2021	Results 2022	Results 2023	Results 2024	Comments
Governance					
Transparency					
Council decisions made at meetings closed to the public <i>[Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100</i>	10.88%	9.96%	10.13%	8.26%	Decrease from 2023 due to a reduction in the number of tenders considered by the Council in 2023/24.
Consultation and engagement					
Satisfaction with community consultation and engagement <i>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</i>	52.00	47.00	42.00	42.00	Results reflect negative publicity regarding key Council projects.
Attendance					
Councillor attendance at council meetings <i>[The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100</i>	100.00%	98.10%	100.00%	95.60%	No material variation.
Service cost					
Cost of elected representation <i>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</i>	\$31,357.26	\$35,959.66	\$40,079.46	\$40,307.29	No material variation.
Satisfaction					
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]</i>	57.00	48.00	43.00	45.00	No material variation.
Libraries					
Resource currency					
Recently purchased library collection <i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i>	53.83%	56.11%	57.05%	55.04%	No material variation.
Service cost					
Cost of library service per population <i>[Direct cost of the library service / Population]</i>	\$30.39	\$44.62	\$42.24	\$44.09	No material variation.
Utilisation					
Loans per head of population <i>[Number of library collection item loans / Population]</i>	New	New	New	10.93	New indicator for 2023/24.

Service Performance Indicators Service / Indicator / Measure	Results 2021	Results 2022	Results 2023	Results 2024	Comments
Participation					
Library membership <i>[Number of registered library members / Population] x100</i>	New	New	New	27.22%	New indicator for 2023/24.
Library visits per head of population <i>[Number of library visits / Population]</i>	New	New	New	4.11	New indicator for 2023/24.
Maternal and Child Health (MCH)					
Service standard					
Infant enrolments in the MCH service <i>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</i>	100.00%	101.55%	98.89%	101.53%	No material variation.
Service cost					
Cost of the MCH service <i>[Cost of the MCH service / Hours worked by MCH nurses]</i>	\$89.39	\$102.65	\$92.21	\$100.90	No material variation.
Participation					
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</i>	77.81%	87.54%	85.13%	83.23%	No material variation.
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</i>	75.00%	89.06%	95.56%	94.74%	No material variation.
Satisfaction					
Participation in 4-week Key Age and Stage visit <i>[Number of 4-week key age and stage visits / Number of birth notifications received] x100</i>	97.67%	100.00%	91.11%	96.18%	No material variation.

Service Performance Indicators Service / Indicator / Measure	Results 2021	Results 2022	Results 2023	Results 2024	Comments
Roads					
Satisfaction of use					
Sealed local road requests <i>[Number of sealed local road requests / Kilometres of sealed local roads] x100</i>	26.43	40.58	51.73	24.91	This measure has decreased due to a high focus and concentrated effort with sealed road maintenance, associated with better practices and efficiencies introduced with the use of a road maintenance unit.
Condition					
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</i>	98.80%	93.88%	93.87%	93.90%	No material variation.
Service cost					
Cost of sealed local road reconstruction <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$184.06	\$59.91	\$62.39	\$90.86	This measure has increased due to rising costs.
Cost of sealed local road resealing <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$6.00	\$3.58	\$17.46	\$8.24	This measure has decreased due to the Council entering into a Regional Procurement Partnership through Procurement Australia to attract better costing on local road reseals.
Satisfaction					
Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	53.00	45.00	42.00	37.00	The result for this measure has decreased due to the flood event in October 2023 and January Storm Event in 2024, which caused significant damage to both sealed and unsealed roads within the municipality. Recovery and restoration works are continuing.
Statutory planning					
Timeliness					
Time taken to decide planning applications <i>[The median number of days between receipt of a planning application and a decision on the application]</i>	34.00	35.00	36.00	49.00	This measure has increased due to the complex nature of planning applications received.
Service standard					
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</i>	83.33%	87.60%	73.62%	67.08%	Time frames have increased due to the complex nature of planning applications received.

Service Performance Indicators Service / Indicator / Measure	Results 2021	Results 2022	Results 2023	Results 2024	Comments
Service cost					
Cost of statutory planning service <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$1,009.35	\$1,451.97	\$1,747.98	\$2,472.11	This measure has increased due to needing professional representation to assist with matters before VCAT.
Decision making					
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</i>	0.00%	33.33%	0.00%	0.00%	Two decisions taken to VCAT in 2023/2024 which resulted both decisions being affirmed.
Waste collection					
Service standard					
Kerbside collection bins missed <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i>	6.55	8.60	7.59	5.32	Missed bins has decreased due to improved performance from kerbside collection contractor.
Service cost					
Cost of kerbside garbage bin collection service <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$55.12	\$54.78	\$70.59	\$75.00	No material variation.
Cost of kerbside recyclables collection service <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$82.09	\$87.34	\$98.67	\$100.82	No material variation.
Waste diversion					
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</i>	60.88%	60.20%	58.66%	57.93%	No material variation.

DESCRIPTION OF OPERATIONS

We govern for and on behalf of the community.

Benalla Rural City Council is responsible for more than 100 services, from family and children's services, parking regulation, open space maintenance, youth services, waste and recycling management; to matters concerning business and tourism development, planning for appropriate development, governance and financial accountability.

Our role includes:

- providing good governance for the benefit and wellbeing of the community
- complying with relevant law when making decisions
- giving priority to achieving the best outcomes for the community, including future generations
- promoting the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks
- engaging the community in strategic planning and strategic decision-making
- pursuing innovation and continuous improvement
- collaborating with other councils and governments and statutory bodies
- ensuring the ongoing financial viability of Council
- taking into account regional, state and national plans and policies in strategic planning and decision making
- ensuring transparency of Council decisions, actions and information.

Strategic objectives

The Council measures its progress by reporting against its Strategic Objectives:



Theme 1

Connected and Vibrant Community

We are committed to building a healthy, active, safe and socially connected community that offers opportunities for people of all ages, backgrounds and abilities to participate in community life.



Theme 2

Engaging and Accessible Places and Spaces

We will provide community places and spaces to meet the needs of our community and focus on thoughtfully planned growth to maintain and enhance the high amenity and character of our Rural City.



Theme 3

Thriving and Progressive Economy

We will support, promote and encourage the long-term growth, diversification and strengthening of our economy as a key contributor to a healthier and more sustainable community.



Theme 4

Sustainable Environment

We will take a proactive and strategic approach to protect our natural environment and safeguard its ability to support our community into the future.



Theme 5

High Performing Organisation

We will be a high performing, efficient and innovative organisation based on sound financial management, accountability and good governance to provide best value service to our whole community.



Theme 1

Connected and Vibrant Community

We are committed to building a healthy, active, safe and socially connected community that offers opportunities for people of all ages, backgrounds and abilities to participate in community life.

The following statement reviews the performance of the Council against the major initiatives identified in the *2023/2024 Budget*.

Major Initiatives	Comment
Implement and monitor the <i>Benalla Rural City Municipal Health and Wellbeing Action Plan</i> .	The Benalla Health and Wellbeing Partnership Group continues to meet Action plan developed and monitored.
Construct an Off-Leash Dog Park.	Completed. Churchill Reserve dog park in operation.

The following statement reviews the performance of the Council against strategic indicators in the *Council Plan 2021-2025*.

Strategic Indicator / Measure	Target	Result
Number of community groups receiving a grant from the Community Support Program.	60	62
Participation – Library Membership (Number of registered library members / Population x 100).	12%	27%
Utilisation of aquatic facilities. (Number of visits to aquatic facilities / Municipal population).	3	4
Participation in the Maternal Child Health (MCH) service. (Number of children who attend in the MCH service at least once (in the year) / Number of children enrolled in the MCH service x 100).	85%	83%

The following statement reviews the performance of the Council against services funded in the *2023/24 Budget* and the persons or sections of the community who are provided the service.

Business Area	Description of Services provided	Expenditure \$'000	(Revenue) \$'000	Net \$'000
Corporate Division	<p>Coordinates a range of services for the community including:</p> <ul style="list-style-type: none"> ▪ Community engagement in accordance with the <i>Community Engagement Policy</i> ▪ Supporting the youth of the community with planning and development of activities to engage young people and to network with service partners. ▪ Delivering a range of services to residents of all ages, cultures and socio-economic backgrounds to enhance their independence, dignity, connectedness, health and wellbeing. ▪ Coordinating and supporting the operation of the Aquatic Centre facility for the community. ▪ Coordinating the planning and response to emergency events. ▪ Delivering immunisation programs. ▪ Coordinating school crossing supervisors. ▪ Providing environmental health education programs. ▪ Coordinating, supporting and growing our volunteer base. 	4,817	(2,711)	3,106

Community Support Program 2023/24

The Annual Grants Program supports projects and activities to assist in building healthy, vibrant and sustainable communities across Benalla Rural City.

Our regular funding streams are:

- Community Grants
- Youth Participation Grants
- Major Event Funding Program
- Quick Response Grants

Community Grants

The Community Grants Program provides an opportunity for community groups and not-for-profit organisations. Funding of up to \$2,500 is provided annually to assist in the development of facilities, programs, activities and projects designed to build healthy, vibrant and sustainable communities across the municipality.

Youth Participation Grants

Youth Participation Grants provide funds of up to \$500 for eligible projects, activities and events, which may include leadership programs, fundraising projects, healthy living initiatives and other youth-led ideas. In 2023/24, no Youth Participation Grants applications were received.

Major Event Funding

The Major Event Funding Program commits approximately \$12,000 annually to encourage groups to stage events. The events must deliver measurable economic benefit and contribute to the profile and liveability of Benalla Rural City.

Seven event organisers received funding of up to \$2,000 under the Major Event Funding program.

Quick Response Grants

The Council also supports community groups through the Quick Response Grants Program with amounts of up to \$500 for projects, activities and events. Applications for funding under the Community Sponsorship Program can be submitted at any time throughout the year.

Community Grants 2023/24

In 2023/24, 35 community-based organisations received funding totaling \$70,766 for projects and activities that enable participation in social, cultural and economic life in Benalla Rural City.

Community Grants 2023/24

Recipient	Project	Funding
Astronomy Benalla Inc.	Equipment Acquisition Plan - Stage 3: various telescope upgrades	\$1,840
Baddaginnie Community Inc	Sun blinds and oven repair for Baddaginnie Hall	\$1,950
Benalla Agricultural & Pastoral Society Inc	Benalla Show - printing the schedule booklet	\$ 2,500
Benalla All Blacks Football and Netball Club	New flooring for netball changerooms	\$1,020
Benalla and District Fire Brigades Group History Committee	Benalla and District Fire Brigade Group History Project – electronic honour board	\$1,200
Benalla Gardens Tennis Club	Clubroom upgrade – kitchen and storage	\$2,500
Benalla Girl Guides Victoria (Girl Guides Victoria)	Repaint Girl Guides Hall	\$2,500
Benalla Lawn Tennis and Croquet Club	A new honour board	\$2,500
Benalla Little Athletics Centre Inc	Equipment upgrades for 2024/25 – discus, shot puts, hurdles and other items	\$2,500
Benalla Migrants Association Inc	Siva Singh book launch	\$1,028
Benalla National and International Short Film Festival	Benalla Shorts 2024	\$2,500
Benalla Pony Club	Kitchen upgrade	\$2,500
Benalla Saints Past Players and Officials	Purchase of hot water unit	\$1,165
Benalla Theatre Company Inc	Mystery on the Orient Express - venue hire	\$2,500
Cake Decorators	Demonstration AV equipment	\$1,439
For the Good of Devenish	Devenish Museum and Hall – white ant control	\$2,500

Goorambat and District Community Group	Community shared garden initiative, growing of vegetable and plants	\$2,500
Goorambat Football and Netball Club	Four high-efficiency outdoor heaters, strategically placed under the verandah of the club's facilities	\$2,500
Goorambat Public Hall Reserve Committee of Management	Refurbishing main hall interior walls of Goorambat Hall	\$2,500
Goulburn And North East Arts Alliance	Annual Mural Music 2024	\$2,500
Molyullah Recreation and Public Hall Reserve Committee of Management	Community seating – picnic tables for area surrounding hall	\$2,000
Molyullah Upper Ryans Creek Heritage	Provide a story board about the establishment of the Tucker Village Settlement and the draining of the Molyullah Swamp	\$2,000
Moorngag Hall and Recreation Reserve	Purchase of bain-marie kitchen equipment	\$1,980
Munro Avenue Kindergarten	Purchase of outdoor sandpit play equipment	\$1,279
North East Multicultural Association	Harmony Day Celebration Benalla March 2025	\$2,500
Robinson Martial Arts Association Inc	Robinson Jiu Jitsu's YOWI-24 Program (Youth, Women, Indigenous) is aimed at providing self-defense training to more Victorian youths, women, and indigenous Victorians - The program will provide successful applicants with membership and the required uniform (Gi), free of charge.	\$1,650
Rose City Country Music Club Inc	Venue Hire	\$2,000
Swanpool and District Community Development Assoc	Hume and Hovell Memorial Cairn plaque replacement	\$1,375
Tatong Heritage Group Inc	Repairs to information booth in Tatong	\$2,500
Tatong Market and More Incorporated	Children's activities for market	\$944
Tatong Memorial Hall	Sewing machine for quilting	\$2,500

The Lions Club of Benalla Inc	Refurbishing Benalla's Street seats	\$2,000
Thoona Recreation Reserve	Thoona Recreation Reserve water tank	\$1,600
Warrenbayne Recreation Reserve Committee Inc	Termite repairs to toilets, new flashing and skirting for hall	\$2,500
Winton Cemetery Trust	Sprayer with trailer	\$1,796
	Total	\$70,766

Youth Participation Grants 2023/24

There were no Youth Participation Grant applications received.

Major Event Funding 2023/24

Recipient	Project	Funding
Albert Heaney Oval Committee of Management	Swanpool Motor Festival	\$2,000
Benalla Bowls Club	Benalla Music Festival	\$2,000
Benalla Lawn Tennis and Croquet Club inc.	Six days of tournament tennis	\$2,000
Benalla Cake Decorators Assoc	2024 state seminar	\$2,000
Molyullah Recreation and Public Hall Reserve Inc	121st Molyullah Easter Sports	\$2,000
Moorngag Hall and Community Recreation Centre	Moorngag Music Stage and Hot Air Balloon Night Glow	\$2,000
Austin 7 Inc	Historic Winton	\$2,000
	Total	\$14,000

Quick Response Grants 2023/24

Recipient	Project	Funding
Australian Christian College Parents and Friends Group	ACC Hume - bush dance	\$500
Benalla & District Junior Football	Cell AED – defibrillator	\$500
Benalla & District Memorial Hospital Auxiliary	Recognising 90 years of women supporting a hospital in Benalla	\$500
Benalla Branch of the Commonwealth Clydesdale Society	Benalla Clydesdale and Heavy Horse Driving Day	\$500
Benalla Health	Benalla Health Winter Ball	\$500
Benalla Migrants Association Inc	Storage shed organising	\$500
Benalla Squash Club	AED battery and pads	\$500
Benalla Sustainable Future Group Inc.	Swanpool Environmental Film Festival 2024	\$500
Lima School Community Centre Committee	Community Christmas BBQ 2023	\$500
Lurg Hall and Reserve Committee of Management	2024 Lurg Hall Trivial Pursuit Night	\$500
North Eastern Archers Inc	Save The Daylight Challenge	\$500
Probus Club Benalla Rose City Inc	Christmas lunch	\$500
Small Town Sing	Small Town Sing - Christmas Frenzy	\$500
Swanpool and District Community Development Association Inc.	Magic Show in Swanpool	\$500
Swanpool Community Cinema	Swanpool Festival Matinee screening John Farnham: Finding the Voice	\$500

Tatong Anglers Group Inc.	Safety of members and guests	\$500
Tatong Archery Club	Kids and beginners archery for Tatong	\$500
Tatong Community Centre and Recreation Reserve	Tatong Community Christmas gathering	\$500
Tatong Market and More	Rattler entertainment	\$400
Thoona Memorial Hall and Public Library	Community BBQ and carols	\$500
	Total	\$9,900



Theme 2

Engaging and Accessible Places and Spaces

We will provide community places and spaces to meet the needs of our community and focus on thoughtfully planned growth to maintain and enhance the high amenity and character of our Rural City.

The following statement reviews the performance of the Council against the major initiatives identified in the *2023/24 Budget*.

Major Initiatives	Comment
Progress the Benalla Indoor Recreation Centre Redevelopment Project	Community engagement on preferred location undertaken. Preliminary concept designs developed.
Progress the Benalla Art Gallery Redevelopment project.	Concept designs completed.
Open the Visitor Information Centre, including café and cinema.	Visitor Information Centre opened in September 2023. Cinema operational. Café lease to be advertised in 2024/25.

The following statement reviews the performance of the Council against strategic indicators in the *Council Plan 2021-2025*.

Strategic Indicator / Measure	Target	Result
Service standard – Animals reclaimed. (Number of animals reclaimed / Number of animals collected x 100).	60%	43%
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).	90%	31%
Satisfaction with sealed local roads.	45	37%
Timelines - Time taken to decide planning applications. (Median number of days taken between receipt of a planning application and a decision on the application).	33 days	49 days
Service Standard – Planning applications decided within required time frames.	85%	67%

The following statement reviews the performance of the Council against services funded in the 2023/24 Budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services provided	Expenditure \$'000	(Revenue) \$'000	Net \$'000
Corporate Division	<p>Coordinates the accessibility, maintenance and planning of engaging spaces and places for the community by:</p> <ul style="list-style-type: none"> ▪ Overseeing the operations of the Benalla Library and library services for all residents. ▪ Operating the Benalla Art Gallery that provides cultural and tourism benefits to our city. ▪ Providing Geographic Information System mapping which provide computer based mapping and aerial photographs. ▪ Overseeing Land Use Planning Services in accordance with the Benalla Planning Scheme and the Planning and Environment Act. ▪ Providing Building Surveyor Services to meet statutory obligations in accordance with the Local Government Act and Building Regulations. ▪ Coordinating Council's statutory obligations in relation to the Domestic and Feral and Nuisance Animal Act, Road Regulations, Environment Protection Act and Country Fire Authority Act. ▪ Providing professional Environmental Health services to meet statutory obligations outlines in the Health Act and Environmental Protection Act. ▪ Overseeing the management of Council's assets including but not limited to the road management plan encompassing urban roads, drains and footpaths and rural roads, drains and footpaths. ▪ Implementation of major and minor works project management, street sweeping, minor construction works and asset inspection programs. 	10,340	(2,699)	7,641



Theme 3

Thriving and Progressive Economy



We will support, promote and encourage the long-term growth, diversification and strengthening of our economy as a key contributor to a healthier and more sustainable community.

The following statement reviews the performance of the Council against the major initiatives identified in the *2023-24 Budget*.

Major Initiatives	Comment
Develop an <i>Economic Diversification Plan</i> .	In progress. Community and business engagement to develop Local Development Strategy undertaken and draft report developed

The following statement reviews the performance of the Council against strategic indicators in the *Council Plan 2021-2025*.

Strategic Indicator / measure	Target	Result
Community satisfaction rating for our performance in tourism development.	60	55
Community satisfaction with economic our business development.	N/A	N/A

The following statement reviews the performance of the Council against services funded in the 2023-24 Budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services provided	Expenditure \$'000	(Revenue) \$'000	Net Cost \$'000
Corporate Division	<ul style="list-style-type: none"> ▪ Oversees the destination promotion and visitor servicing for our Rural City. ▪ Facilitating Council's civic and community events and the provision of support to other events to ensure compliance, while promoting community involvement and the lifestyle the Rural City offers. ▪ Managing the operation of the BPACC facility which engages a diverse range of Benalla residents coming from a wide range of socio-economic backgrounds and visitors to our area. ▪ Overseeing the long-term maintenance management program for Council's facility with the provision of repairs, maintenance and servicing of facilities that are utilised by a broad range of stakeholders including the general public and Council staff. ▪ Optimising the strategic value of and service potential of Council assets including but not limited to municipal buildings, aerodrome and pavilions 	7,065	6,672	343



Theme 4

Sustainable Environment

We will take a proactive and strategic approach to protect our natural environment and safeguard its ability to support our community into the future.

The following statement reviews the performance of the Council against the major initiatives identified in the *2023/24 Budget*.

Major Initiatives	Comment
Review and update the <i>Environment Strategy and Climate Change Adaptation Plan 2013-2025</i> .	Draft report endorsed and placed on public exhibition May 2024.
Operate Benalla Landfill and Resource Recovery Centre Transfer Station.	Completed. Transfer station operational.

The following statement reviews the performance of the Council against strategic indicators in the *Council Plan 2021-2025*.

Strategic Indicator / Measure	Target	Result
Community satisfaction rating for our performance in environmental sustainability.	60	55
Community satisfaction rating for our performance in slashing and weed control	50	47
Community satisfaction rating for our performance in waste management.	65	63
Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill.	65%	58%

The following statement reviews the performance of the Council against services funded in the *2023-24 Budget* and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure \$'000	(Revenue) \$'000	Net \$'000
Corporate Division	<p>Coordinates a proactive and strategic approach to protect our natural environment and safeguard its ability to support our community into the future by:</p> <ul style="list-style-type: none"> ▪ Overseeing the management and provision of environmental projects. ▪ Ensuring that waste collection, recycling programs, EPA licenced landfill operation and waste minimisation programs are run in accordance with state and regional plans and policies. ▪ Coordinating the management and provision of advice on external domestic waste water programs in consultation with relevant stakeholders. 	4,609	(2,864)	1,745



Theme 5

High Performing Organisation

We will be a high performing, efficient and innovative organisation based on sound financial management, accountability and good governance to provide best value service to our whole community.

The following statement reviews the performance of the Council against the major initiatives identified in the *2023/24 Budget*.

Major Initiative	Comment
Participate in Rural Councils Transformation Program.	Procurement completed for planning, building and regulatory services (E-Vis - Greenlight); Information Management (Logicalis - SharePoint); and Enterprise Resource Solution (Civica).
Review and update Risk Management framework.	Gap analysis undertaken. Risk register and policies and procedures updated. Risk management software investigated.

The following statement reviews the performance of the Council against strategic indicators in the *Council Plan 2021-2025*.

Strategic Indicator / Measure	Target	Result
Community satisfaction with Council's overall performance.	55	50
Community satisfaction with how Council has performed in making decisions in the interest of the community.	48	45
Community satisfaction with how Council has performed in customer service	70	64
Community satisfaction with the consultation and engagement efforts of Council.	50	42
Community satisfaction with the overall direction of Council	50	46
Community satisfaction with Council's advocacy.	50	47

The following statement reviews the performance of the Council against services funded in the 2023-24 Budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services provided	Expenditure \$'000	(Revenue) \$'000	Net Cost \$'000
CEO Division	Oversees the office of the Chief Executive Officer (CEO), the Mayor and Councillor support as well as the internal audit program.	587	(11)	576
Corporate Division	<ul style="list-style-type: none"> ▪ Oversees the governance of Council to ensure accountability, enhancement and prosperity and viability. ▪ Ensures all day to day operational council buildings are maintained to an operational standard. ▪ Provides the financial based services to both internal and external customers including the management of Council's finances, procurement and contracting services, raising and collection of rates and charges and valuation of properties throughout the municipality. ▪ Ensures that the relevant human resources are managed and supported including training and development for staff. ▪ Provides information technology services to Council staff over various locations. ▪ Responsible for the achievement of corporate objectives in regard to Risk Management, Insurance and Occupational Health and Safety. ▪ Coordinates Council's statutory obligations in relation to the Domestic and Feral and Nuisance Animal Act, Road Regulations, Environment Protection Act and Country Fire Authority Act. 	489		489

Statutory Information

Carers Recognition Act 2012

The Council has taken all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012* by:

- Promoting the principles of the Act to people in care relationships who receive Council services, to people in care relations and to the wider community.
- Ensuring staff, council agents and volunteers working for Council are informed about the principles and obligations of the Act.
- Reviewing and modifying policies, procedures and supports to include recognition of the carer relationship.
- Ensuring information on the Act is readily available to staff.

Council Information

The council has adopted and maintains a Public Transparency Policy in accordance with section 57 of the *Local Government Act 2020*.

The Policy details published statements designed to assist members of the public in accessing Council information, such as documents, process information and records.

Disability Action Plan

The *Community Access and Inclusion Plan 2015-2017* was adopted by the Council on 2 September 2015. A review of the plan has been undertaken, but not yet presented to the Council for adoption.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, the Council is required to prepare a *Domestic Animal Management Plan* at yearly intervals and evaluate its implementation in the Annual Report.

The Council adopted a *Domestic Animal Management Plan 2021-2025* on 23 February 2022. The associated action plan continues to be implemented.

Food Act Ministerial Directions

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

No Food Act Ministerial Directions were received by the 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*, the Council is required to publish certain statements in their annual report or separately such as on its website concerning its function and information available. The 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.
- It should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of the Council should be addressed to the Freedom of Information Officer. Requests can be lodged by emailing: council@benalla.vic.gov.au

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

Further information regarding FOI can be found at www.foi.vic.gov.au and on the Benalla Rural City website www.benalla.vic.gov.au

Public Interest Disclosures Procedures

In accordance with section 70 of the *Public Interest Disclosures 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 public interest disclosure complaints investigated during the financial year.

Procedures on how to make a disclosure are publicly available on the Council's website: benalla.vic.gov.au

In 2023/24 no disclosures were notified to the Independent Broad-based Anti-Corruption Commission.

Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, the Council must publish a copy or summary of any Ministerial Direction in its annual report.

No Road Management Act Ministerial Directions were received by the Council during the financial

Accountability and Governance

Like all Local Government in Victoria, Benalla Rural City Council operates under the Local Government Acts 1989 and 2020. Local councils are given a strict framework under which they must operate, and they are accountable to the Victorian Government through the Minister for Local Government under the Department of Environment, Land, Water and Planning.

Councils must report regularly to the Victorian Government and are also audited annually by independent auditors. The Local Government Inspectorate and the Independent Broad-based Anti-Corruption Commission are bodies which have been set up by the Victorian Government to ensure that local governments act properly and with integrity.

Benalla Rural City Council puts corporate governance systems in place to ensure the organisation:

- operates within the spirit and intent of the relevant legislation
- outlines its powers and supports open and transparent decision-making processes
- establishes effective frameworks for planning
- monitors the efficiency and effectiveness of operations
- engages with and advocates for our community as partners in the ongoing growth and development of Benalla Rural City where lifestyle, culture and safety are important.

Council Committee System and Meeting Cycle

Council business is conducted on a monthly cycle of Wednesday evening meetings commencing at 5.30pm (6pm during Victorian daylight-saving time) at the Benalla Civic Centre.

Meeting type	Purpose
Finance and Planning Committee	<p>This Committee considers:</p> <ul style="list-style-type: none"> ▪ all governance and financial matters, social and cultural development and matters relating to the operation of Council's organisational administration. ▪ all matters relating to strategic and statutory planning and associated matters, infrastructure, environmental issues and economic development matters. <p>The membership of the Finance and Planning Committee comprises all Councillors. The quorum for this committee is a majority of members.</p>
Council	<p>The Council Meeting adopts, rejects or modifies recommendations from the committees listed above and deals with other items. These meetings provide Councillors with another opportunity to debate issues discussed at the committee level before a final decision is made.</p>

Meetings of Council:

Total meetings: 13

(10 Council Meetings, three Additional Council Meetings)

Councillor attendance at Council Meetings and Additional Council Meetings during 2023/24.

Attendance between 1 July 2023 and 30 June 2024

Councillor	Council Meetings attended	Additional Council meetings attended	Total
Cr Danny Claridge	10	3	13
Cr Peter Davis	10	3	13
Cr Don Firth	9	3	12
Cr Bernadette Hearn	9	3	12
Cr Punarji Hewa Gunaratne	8	3	11
Cr Justin King	9	3	12
Cr Gail O'Brien	10	3	13

Finance and Planning Committee Meetings

Number of meetings held: 10

(Nine Finance and Planning Committee Meetings, one Additional Finance and Planning Committee Meeting).

Councillor attendance at Finance and Planning Committee Meetings and Additional Finance and Planning Committee Meetings during 2023/24.

Attendance between 1 July 2023 and 30 June 2024

Councillor	Meetings attended	Additional Meetings attended	Total
Cr Danny Claridge	9	1	10
Cr Peter Davis	9	1	10
Cr Don Firth	9	1	10
Cr Bernadette Hearn	8	1	9
Cr Punarji Hewa Gunaratne	8	1	9
Cr Justin King	8	1	9
Cr Gail O'Brien	9	1	10

Councillor Code of Conduct

In March 2021, in accordance with the *Local Government Act 2020*, the Council reviewed and adopted the Councillor Code of Conduct. The purpose of the Councillor Code of Conduct is to include the standards of conduct expected to be observed by Councillors in the course of performing their duties and functions as Councillors, including prohibiting discrimination, harassment (including sexual harassment) and vilification.

Conflict of Interest

Councillors are elected to a position of trust to act in the best interests of the community. The Councillors and officers of Benalla Rural City live locally and are involved in the local community meaning there can be connections between their private lives and public duties. A conflict of interest is a situation that exists even if no improper act results from it.

Included in the agenda papers for every Council and committee meeting is a reminder of the obligation of Councillors and officers under the *Local Government Act 2020* to disclose any conflict of interest and step away from discussion and decision making in regard to the matter.

During 2023/24 there were nineteen conflicts of interest disclosed by councillors at Council and Delegated Committee meetings. Disclosed conflicts of interest are included in the minutes of the meeting and are available on the Council's website.

Councillor Expenses

Councillor	Travel	Child Care	Information & Communications	Conferences and training	Total
Cr Danny Claridge (Mayor)	\$924		\$589	\$630	\$2,143
Cr Peter Davis			\$589	\$417	\$1,006
Cr Don Firth	\$470		\$589	\$947	\$2,006
Cr Bernadette Hearn	\$820		\$589	\$1,071	\$2,480
Cr Punarji Hewa Gunaratne	\$63		\$589	\$967	\$1,619
Cr Justin King			\$589	\$417	\$1,006
Cr Gail O'Brien	\$350		\$589	\$991	\$1,930

The Mayor (personal and Council business use) and Councillors (Council business use) are provided with a fully maintained motor vehicle. Total fleet 2023/24 charges for this vehicle, including fuel costs, were \$4,583.

Councillors and staff are provided with a meal after Council and Committee meetings. Total catering costs in 2023/24 were \$12,507.

Councillor Allowances

Local Government Councillors in Victoria are provided with an allowance in recognition of their duties as Councillors.

Under section 39 of the Local Government Act 2020. The Victorian Government sets an upper and lower limit for allowances dependent on the income and population of the municipality.

Mayors and Deputy Mayors are entitled to a higher allowance than Councillors in recognition of the greater level of commitment required.

For 2023/24 Benalla Rural City Council was classified as a Category 1 Council. The Council has resolved that the Mayoral and Councillor allowances be set at the maximum amount payable for a Category 1 Council.

The table below presents the allowances paid to each Councillor during 2023/24:

Councillor	Allowance
Cr Danny Claridge (Mayor) <i>Mayor from November 2023 to June 2024</i>	\$60,619
Cr Peter Davis	\$26,198
Cr Donald Firth	\$26,198
Cr Bernadette Hearn <i>Mayor between July 2023 to November 2023</i>	\$46,726
Cr Punarji Hewa Gunaratne	\$26,198
Cr Justin King (Deputy Mayor)	\$40,580
Cr Gail O'Brien	\$26,198

Council Committees

Advisory Committees

Advisory committees advise the Council on a range of community and social issues that may influence policy, service and program development.

Council Advisory Committee	Purpose of Committee
Australia Day Advisory Committee	Assists in the coordination of Australia Day celebrations throughout the municipality.
Benalla Airport Advisory Committee	Assists Council in the management and operation of the Benalla Airport.
Benalla Art Gallery Advisory Committee	Assists Council in the management and operation of the Benalla Art Gallery.
Benalla Festival Advisory Committee	Manages the Benalla Festival and makes recommendations to Council about festival events and activities.
Benalla Street Art Advisory Committee	Committee was formed to reinvigorate street art in Benalla. The Advisory Committee will organise the Benalla Street Art Festival 2024 to 2027 (BSAF).
Communications Advisory Committee	Oversees Council communications and corporate publications.

Chief Executive Officer Employment and Remuneration Committee

In accordance with the Chief Executive Officer Employment and Remuneration policy, a CEO Employment and Remuneration Committee has been established. Chaired by the Mayor, the Committee comprises all councillors and an independent member, Mr Chris Eddy.

In September 2022, the Committee recommended to the Council that the Chief Executive Officer be reappointed for a five-year term expiring 16 January 2028.

In November 2022, the Committee developed a suite of key performance indicators that were subsequently adopted by the Council.

Audit and Risk Committee

Membership

The Audit and Risk Committee (the Committee) comprises two Councillors and four independent members.

The Committee's Councillor positions are held by the Mayor or the Mayor's choice of Councillor and the Chair of the Finance and Planning Committee.

External members:

Name	Qualifications	Professional Background
Mr Cameron Gray (Chair)	BBus M(Com)	Currently the Finance Manager at Coinda Village Inc. in Benalla. Experience in working in the health, legal, employment services and agricultural industries. Member of the Institute of Public Accountants. Holds Executive Certificate in Corporate Governance and currently undertaking a Master of Business Administration. Over the past 10 years has volunteered as treasurer/secretary to sporting clubs and associations in the Benalla area.
Mr Michael B Hedderman	BHA (UNSW), Dip Ag (Dookie)	Substantial hands-on experience in both public and private sector management roles throughout Victoria, which has included chief executive roles in public healthcare, business management roles in private aged care settings, quality and risk management, authorised officer for DHS and chair of compliance and risk committees. Member of the Benalla Rural City Community Plan Implementation Steering Committee and the Benalla Migrant Camp Restoration Committee along with other volunteer roles within the community of Benalla Rural City and beyond.
Ms Rita HP Ruyters	GradDipBus(Acc), GCP (Acc)	Has extensive experience and working knowledge in financial management accounting in the not-for-profit sector. Holds a Graduate Certificate in Professional Accounting, Executive Certificate in Corporate Governance and is a Fellow of the Institute of Public Accountants.
Mr Justin Reid	FCA	Justin is a self-employed independent consultant who specialises in audit training and consulting. Justin has extensive experience as an internal and external auditor of local councils and other public sector agencies and departments. He is a Fellow of the Chartered Accountants of Australia and New Zealand.

Attendance

During the 2023/24 financial year there was a quorum for each Audit and Risk Committee meeting, where the appointed Chair presided.

Attendance of Audit and Risk Committee members for the 2023/24 meeting schedule is detailed below.

Committee Members	August 2023	November 2023	December 2023	February 2024	May 2024
Cameron Gray <i>(elected as Chair 2024)</i>	✓	✓	✓	✓	✓
Michael Hedderman <i>(Member from July 2023 to March 2024)</i>	✓	✓	✓	✓	
Rita Ruyters	✓	✓	✓	✓	✓
Justin Reid <i>(Member from July 2023 to December 2023)</i>	✓	✓	✓		
Cr Peter Davis	✓	✓	✓	✓	✓
Cr Danny Claridge <i>(Chair of the Finance and Planning Committee from July 2023 to November 2023)</i>	✓	✓			
Cr Bernie Hearn <i>(Chair of the Finance and Planning Committee)</i>			✓	✓	✓

Activities

Key activities undertaken by the Committee included:

Financial Performance and Audit

- Draft Annual Financial Report and draft Performance Statements for year ended 30 June 2023 approved in principle.

Internal Control Environment

- Procurement exemptions considered.
- Fraudulent and corrupt behaviour and significant compliance matters monitored.
- Gifts/Offer of Hospitality 2023/24 presented.

Risk Management

- GenderWorks Australia Benalla Rural City Council Workplace Gender Audit presented.
- Paladin Risk Services Observations in Relation to Gap Analysis of Common Controls report presented.
- OH&S Personal Protective Equipment and Clothing Policy and OH&S Fitness For Work Procedure presented.
- Risk management activities reported.
- Occupational Health and Safety issues monitored.

Fraud Prevention Systems and Controls

- No Instances of unethical behaviour, fraud and corruption noted.

Internal Audit

- Implementation of Business Continuity and Disaster Recovery, Capital Project Management and Fraud and Corruption Framework internal audit recommendations monitored.
- Results Internal Audit Report 2023-02 Capital Project Management, Internal Audit Report: 2023-03 Fraud and Corruption Framework and Internal Audit Report 2024-01 External Audit Preparedness considered.
- Internal Audit Planning Documents: Procurement and External Audit Preparedness approved.

External Audit

- Closing Report and Final Management Letter for the year ended 30 June 2023 considered.
- Benalla Rural City Council Audit Strategy Memorandum For The Financial Year Ending 30 June 2024 considered.

Compliance Management

- **VAGO** reports considered: Cybersecurity: Cloud Computing Products, Regulating Food Safety, Results of 2022/23 Auditors: Local Government, Annual Plan 2023/24.
- **Independent Broad-Based Anti-Corruption Commission** Operation Sandon report considered.
- **Local Government Victoria** Local Government Services Rates and Charges report presented.

Procurement

- All contracts above the public tender threshold (\$300,000 ex. GST) were entered into in accordance the Procurement Policy.

Governance and Management Checklist

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

Governance and Management Item	Assessment
Community Engagement Policy Policy outlining Council's commitment to engaging with the community on matters of public interest	Policy adopted in accordance with section 55 of the Act <input checked="" type="checkbox"/> Date of current policy: 23 February 2022
Community Engagement Guidelines Guidelines to assist staff to determine when and how to engage with the community	Guidelines <input checked="" type="checkbox"/> Date of current guidelines: 23 February 2022
Financial Plan Financial Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years	Plan adopted in accordance with section 91 of the Act <input checked="" type="checkbox"/> Date Plan adopted: 29 June 2022
Asset Plan Plan that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years	Plan adopted in accordance with section 92 of the Act <input checked="" type="checkbox"/> Date Plan adopted: 29 June 2022
Revenue and Rating Plan Plan setting out the rating structure of Council to levy rates and charges	Plan adopted in accordance with section 93 of the Act <input checked="" type="checkbox"/> Date Plan adopted: 23 June 2021
Annual Budget Plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required	Budget adopted in accordance with section 94 of the Act <input checked="" type="checkbox"/> Date Budget adopted: 26 June 2024
Risk policy Policy outlining Council's commitment and approach to minimising the risks to Council's operations	Policy <input checked="" type="checkbox"/> Date of current policy: 13 September 2019

Governance and Management Item	Assessment
<p>Fraud policy Policy outlining Council's commitment and approach to minimising the risk of fraud</p>	<p>Policy <input checked="" type="checkbox"/></p> <p>Date of current policy: 10 October 2018</p>
<p>Municipal Emergency Management Planning Participation in meetings of the Municipal Emergency Management Planning Committee.</p>	<p>Municipal Emergency Management Planning Committee (MEMPC) meetings attended by one or more representatives of Council (other than the chairperson of the MEMPC) <input checked="" type="checkbox"/></p> <p>28 February 2024 29 May 2024</p>
<p>Procurement Policy Policy outlining the principles, processes and procedures that will apply to all purchases of goods, services and works</p>	<p>Policy reviewed and adopted in accordance with section 108 of the Act <input checked="" type="checkbox"/></p> <p>Date adopted: 28 June 2023</p>
<p>Business Continuity Plan Plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster</p>	<p>Plan <input checked="" type="checkbox"/></p> <p>Date of current plan: 9 December 2016</p>
<p>Disaster Recovery Plan Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster</p>	<p>Plan <input checked="" type="checkbox"/></p> <p>Date of current plan: 9 December 2016</p>
<p>Complaint Policy Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.</p>	<p>Policy developed in accordance with section 107 of the Act <input checked="" type="checkbox"/></p> <p>Date adopted: 21 August 2020</p>
<p>Workforce Plan Plan outlining Council's commitment and approach to planning and current and future workforce requirements of the organisation.</p>	<p>Plan developed in accordance with section 46 of the Act <input checked="" type="checkbox"/></p> <p>Date adopted: 17 December 2021</p>
<p>Payment of Rates and Charges Hardship Policy Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates.</p>	<p>Policy in operation <input checked="" type="checkbox"/></p> <p>Date adopted: 29 June 2022</p>

Governance and Management Item	Assessment
<p>Risk Management Framework Framework outlining Council's approach to managing risks to the Council's operations</p>	<p>Framework <input checked="" type="checkbox"/></p> <p>Date of current framework: 19 September 2019</p>
<p>Audit and Risk Committee Advisory committee of the Council under section 53 and 54 of the Act.</p>	<p>Established in accordance with section 53 of the Act <input checked="" type="checkbox"/></p> <p>Date committee established: 26 August 2020</p>
<p>Internal Audit Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls.</p>	<p>Internal Auditor engaged <input checked="" type="checkbox"/></p> <p>Date of engagement of current provider: 17 August 2022</p>
<p>Performance Reporting Framework A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act</p>	<p>Framework <input checked="" type="checkbox"/></p> <p>Date of operation of current framework: 1 July 2014</p>
<p>Council Plan Reporting Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year</p>	<p>Report <input checked="" type="checkbox"/></p> <p>Council Meeting: 6 September 2023</p>
<p>Quarterly Budget Reports Quarterly report to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations.</p>	<p>Quarterly Reports presented to Council in accordance with section 97 (1) of the Act <input checked="" type="checkbox"/></p> <p>Dates reports presented: 1 November 2023 14 February 2024 15 May 2024</p>
<p>Risk Reporting Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies</p>	<p>Reports <input checked="" type="checkbox"/></p> <p>Risk reports prepared and presented: 21 November 2023 21 May 2024</p>

Governance and Management Item	Assessment
<p>Performance Reporting Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act</p>	<p>Report <input checked="" type="checkbox"/></p> <p>Reports prepared and presented: 20 December 2023 10 April 2024</p>
<p>Annual Report Annual report under sections 98 and 99 of the Act containing a report of operations and audited financial performance statements</p>	<p>Annual Report presented at a meeting of Council in accordance with section 100 of the Act <input checked="" type="checkbox"/></p> <p>Council Meeting: 20 December 2023</p>
<p>Councillor Code of Conduct Code setting out the standards of conduct to be followed by Councillors and other matters</p>	<p>Code of Conduct reviewed and adopted in accordance with section 139 of the Act <input checked="" type="checkbox"/></p> <p>Date reviewed: 10 March 2021</p>
<p>Delegations documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff</p>	<p>Reviewed in accordance with section 11(7) of the Act <input checked="" type="checkbox"/></p> <p>Date of review: 27 March 2024</p>
<p>Meeting Procedures Governance Rules governing the conduct of meetings of Council and delegated committees</p>	<p>Governance Rules adopted in accordance with section 60 of the Act <input checked="" type="checkbox"/></p> <p>Date adopted: 31 August 2022</p>

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



Dom Testoni
Chief Executive Officer
Dated: 16 October 2024



Cr Danny Claridge
Mayor
Dated: 16 October 2024

Performance statement

For the year ended 30 June 2024



Certification of the Performance Statement

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



Robert Barber

Principal Accounting Officer

Dated: 16 October 2024

In our opinion, the accompanying performance statement of the *Benalla Rural City Council* for the year ended 30 June 2024 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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

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

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



Cr Danny Claridge

Mayor

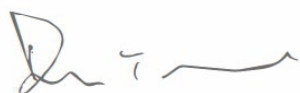
Dated: 16 October 2024



Cr Bernie Hearn

Councillor

Dated: 16 October 2024



Dom Testoni

Chief Executive Officer

Dated: 16 October 2024

**Independent Auditor's Report to be inserted upon receipt from the
Victorian Auditor-General's Office**

**Independent Auditor's Report to be inserted upon receipt from the
Victorian Auditor-General's Office**

Section 1: Description of municipality

Description of municipality

Benalla Rural City Council (the Council) is situated 193 kilometres northeast of Melbourne. The Council covers an area of 235,264 hectares and has a population of 14,529 of which approximately 9,000 residents live in the Benalla urban area.

In addition to Benalla, the Rural City features seven rural townships: Baddaginnie, Devenish, Goorambat, Swanpool, Thoona, Tatong, and Winton.

Important industries include farming, health and allied health services, manufacturing, retail, and construction. Key visitor attractions include Winton Wetlands, Winton Motor Raceway, Benalla Art Gallery, and silo and street art.

Section 2: Service Performance Indicators For the year ended 30 June 2024

Service / Indicator / Measure	Results				Material Variations		
	2021	2022	2023	2024	Target as per Budget	Actual	Comments
Aquatic facilities Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2	4	5	5	5	4	This measure has decreased due to lower than usual summer season temperatures resulting in lower casual entries to the facility. The adjacent free Splash Park is also thought to be influencing lower casual swim entry numbers.
Animal Management Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	60%	100%	100%	100%	100%	No material variation for 23/24. Result in 2022 due to two unsuccessful animal management prosecutions.
Food Safety Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	0%	0%	0%	N/A	N/A	0%	No critical and major non-compliance outcome notifications for the 2023 calendar year.

Service Performance Indicators - For the year ended 30 June 2024

Service / Indicator / Measure	Results				Material Variations		
	2021	2022	2023	2024	Target as per Budget	Actual	Comments
Governance Satisfaction <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with the consultation and engagement efforts of Council]	Actual 52	Actual 47	Actual 42	Actual 42	60	42	Results reflect negative publicity regarding key Council projects.
Libraries Participation <i>Library membership</i> [percentage of the population that are registered library members] x100	N/A	N/A	N/A	N/A	N/A	27.22%	New indicator for 2023/24.
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	78%	88%	85%	83%	NA	83%	No material variation.
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	75%	89%	96%	94.74%	N/A	94.74%	No material variation.

Service Performance Indicators - For the year ended 30 June 2024

Service / Indicator / Measure	Results				Material Variations		
	2021	2022	2023	2024	Target as per Budget	Actual	Comments
Service Roads Condition Sealed local roads below the intervention level [Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal]	Actual 99%	Actual 94%	Actual 94%	Actual 94%	94%	94%	No material variation.
Statutory Planning Service Standard Planning applications decided within the relevant required time [Percentage of planning application decisions made within the relevant required time]	83%	88%	74%	85%	85%	67%	Time frames have increased due to the complex nature of planning applications received.
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	61%	60%	59%	60%	60%	58%	No material variation.

Section 3: Financial Performance Indicators

For the year ended 30 June 2024

Dimension / Indicator / Measure	Results					Forecasts				Material Variations
	2021	2022	2023	2024	2025	2026	2027	2028		
Service	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	Comments
Efficiency										
Expenditure level										
Expenses per property assessment	\$3,995	\$4,219	\$4,862	\$4,542	\$4,284	\$4,616	\$4,509	\$4,600	\$4,679	22/23 expenses included extraordinary expenditure relating to the response to the October 2022 flood event.
[Total expenses / Number of property assessments]										
Revenue level										
Average rate per property assessment	\$1,913	\$1,951	\$1,997	N/A	\$2,056	\$2,148	\$2,180	\$2,212	\$2,245	No material variation.
[General rates and Municipal charges / Number of property assessments]										

Financial Performance Indicators - For the year ended 30 June 2024

Dimension / Indicator / Measure	Results					Forecasts				Material Variations	
	2021	2022	2023	2024	2024	2025	2026	2027	2028		
Service	Actual	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	Comments
Liquidity											
Working capital											
Current assets compared to current liabilities	203%	198%	268%	310%	165%	310%	241%	275%	241%	230%	Significant decrease in unearned income/revenue due to delivery of grant-funded projects.
[Current assets / Current liabilities] x100											
Unrestricted cash											
Unrestricted cash compared to current liabilities	26%	52%	26%	62%	N/A	62%	159%	182%	157%	137%	Unrestricted cash has increased by \$3.3 million due to a delay in delivery of 23/24 capital projects.
[Unrestricted cash / Current liabilities] x100											

Financial Performance Indicators - For the year ended 30 June 2024

Dimension / Indicator / Measure	Results						Forecasts			Material Variations
	2021	2022	2023	2024	2025	2026	2027	2028		
Service	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	Comments
Obligations										
Loans and borrowings compared to rates	26%	19%	14%	N/A	10%	7%	5%	4%	3%	Loans and borrowings decreased by \$605,000 in 23/24.
[Interest bearing loans and borrowings / Rate revenue] x100										
Loans and borrowings repayments compared to rates	5%	6%	5%	N/A	3%	3%	2%	2%	1%	Loans and borrowings decreased by \$605,000 in 23/24.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100										

Financial Performance Indicators - For the year ended 30 June 2024

Dimension / Indicator / Measure	Results					Forecasts				Material Variations
	2021	2022	2023	2024	2025	2026	2027	2028		
Service	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	Comments
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	50%	59%	55%	N/A	46%	50%	53%	47%	44%	Landfill rehabilitation provision decreased by \$1.463 million in 23/24
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and upgrade expense / Asset depreciation] x100	40%	47%	90%	231%	73%	103%	76%	71%	76%	\$7.014 million of 23/24 capital works expenditure against a budget of \$21.206 million.
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit). [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	7%	6%	7%	N/A	-9%	-9%	-5%	-6%	-7%	23/24 Financial Assistance Grants allocation prepaid in 22/23 decreased underlying revenue.

Financial Performance Indicators - For the year ended 30 June 2024

Dimension / Indicator / Measure	Results					Forecasts				Material Variations	
	2021	2022	2023	2024	2025	2026	2027	2028			
Stability											
Rates concentration											
<i>Rates compared to adjusted underlying revenue</i>	55%	55%	48%	64%	66%	65%	65%	65%	65%		23/24 Financial Assistance Grants allocation prepaid in 22/23 decreased underlying revenue.
<i>[Rate revenue / Adjusted underlying revenue] x100</i>											
Rates effort											
<i>Rates compared to property values</i>	0.62%	0.59%	0.47%	N/A	0.41%	0.46%	0.43%	0.40%	0.37%		Capital improved valuations increased in 23/24.
<i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>											

Section 4: Sustainable Capacity Indicators

For the year ended 30 June 2024

Indicator / Measure [formula]	Results					Material Variations
	2021	2022	2023	2024	2024	
Service	Actual	Actual	Actual	Actual	Actual	Comments
Population Expenses per head of municipal population [Total expenses / Municipal population]	\$2,285	\$2,438	\$2,788	\$2,505	\$2,505	22/23 expenses included extraordinary expenditure relating to the response to the October 2022 flood event.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$15,316	\$17,312	\$17,213	\$18,997	\$18,997	Increase primary due to a \$20.178 million increase in the valuation of infrastructure assets.
Population density per length of road [Municipal population / Kilometres of local roads]	10	10	11	11	11	No material variation.
Own-source revenue Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,691	\$1,744	\$1,775	\$1,951	\$1,951	No material variation.
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$558	\$656	\$648	\$212	\$212	Decrease due to the receipt of \$4.541 million of 23/24 Financial Assistance Grants in 22/23.

Sustainable Capacity Indicators - For the year ended 30 June 2024

<i>Indicator / Measure [formula]</i>	Results				Material Variations
	2021	2022	2023	2024	
<i>Service</i>	Actual	Actual	Actual	Actual	Comments
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2	2	3	3	No material variation.
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	11.7%	8.5%	29.6%	9.5%	22/23 measure impacted by a significant decrease in employee numbers following cessation of council-delivered Aged and Disability Services.

Section 5: Notes to the Accounts

5.1 Basis of Preparation

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

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

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the *Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 by the council's financial plan.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

5.2 Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> ▪ non-recurrent grants used to fund capital expenditure; and ▪ non-monetary asset contributions; and ▪ 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
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

Key term	Definition
non-current liabilities	means all liabilities other than current liabilities
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
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, 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
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

5.3 Other Matters

Overview of 2024

In the 2023/24 financial year, revenue totalled \$38.178 million and expenses \$36.391 million resulting in a surplus of \$1.787 million. However, primarily due to the early allocation of \$4.541 million of 2023/24 Financial Assistance Grants in 2022/23, an underlying deficit of \$2.862 million was recorded.

Revenue and expenses significantly decreased from 2022/23 as Benalla Rural City was not impacted by a major natural disaster event in 2023/24. In 2022/23, significant natural disaster expenditure and grant revenue associated with the October 2022 flood event was brought to account.

Capital Works for the year totalled \$7.014 million. Delivery of these works was across the major asset types of Infrastructure: \$4.658 million, Property: \$1.134 million and Plant and Equipment: \$1.222 million. New asset expenditure totalled \$2.161 million, asset renewal expenditure \$3.203 million and asset upgrade expenditure \$1.650 million.

Financial report

For the year ended 30 June 2024

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Benalla Rural City Council
Financial Report
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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 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Robert Baber
General Manager Corporate

Dated : 16-Oct-24
Benalla

In our opinion, the accompanying financial statements present fairly the financial transactions of the Benalla Rural City Council for the year ended 30 June 2024 and the financial position of the Council as at that date.

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

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



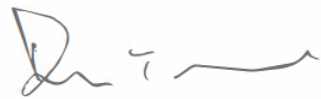
Danny Claridge
Councillor

Dated : 16-Oct-24
Benalla



Bernie Hearn
Councillor

Dated : 16-Oct-24
Benalla



Dom Testoni
Chief Executive Officer

Dated : 16-Oct-24
Benalla

***Independent Auditor's Report
To be inserted upon receipt from the
Victorian Auditor-General's Office***

***Independent Auditor's Report
To be inserted upon receipt from the
Victorian Auditor-General's Office***

Comprehensive Income Statement For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income / Revenue			
Rates and charges	3.1	22,263	21,000
Statutory fees and fines	3.2	695	567
User fees	3.3	3,758	3,540
Grants - operating	3.4	3,949	16,594
Grants - capital	3.4	3,694	2,584
Contributions - monetary	3.5	433	280
Contributions - non monetary	3.5	1,759	350
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	171	(154)
Other income	3.7	1,456	549
Total income / revenue		38,178	45,310
Expenses			
Employee costs	4.1	13,129	11,937
Materials and services	4.2	14,984	20,669
Depreciation	4.3	6,639	6,066
Amortisation - intangible assets	4.4	395	338
Depreciation - right of use assets	4.5	233	336
Allowance for impairment losses	4.6	6	-
Borrowing costs	4.7	134	138
Finance costs - leases	4.8	24	27
Other expenses	4.9	847	621
		36,391	40,132
Surplus/(deficit) for the year		1,787	5,178
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	23,386	7,087
Total other comprehensive income		23,386	7,087
Total comprehensive result		25,173	12,265

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

Balance Sheet

As at 30 June 2024

	Note	2024 \$'000	Restated 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	9,072	9,468
Trade and other receivables	5.1	5,759	6,436
Other financial assets	5.1	17,608	17,042
Inventories	5.2	36	54
Prepayments	5.2	195	226
Total current assets		32,670	33,226
Non-current assets			
Property, infrastructure, plant and equipment	6.1	314,145	290,863
Right-of-use assets	5.8	435	488
Intangible assets	5.2	3,203	3,598
Total non-current assets		317,783	294,949
Total assets		350,453	328,175
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,581	3,239
Trust funds and deposits	5.3	926	817
Contract and other liabilities	5.3	290	2,676
Provisions	5.5	3,996	4,770
Interest-bearing liabilities	5.4	556	650
Lease liabilities	5.8	206	255
Total current liabilities		10,555	12,407
Non-current liabilities			
Provisions	5.5	11,105	11,633
Interest-bearing liabilities	5.4	1,694	2,205
Lease liabilities	5.8	243	246
Total non-current liabilities		13,042	14,084
Total liabilities		23,597	26,491
Net assets		326,856	301,684
Equity			
Accumulated surplus		159,135	157,458
Reserves	9.1	167,721	144,226
Total Equity		326,856	301,684

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

Statement of Changes in Equity For the Year Ended 30 June 2024

2024	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		301,684	157,458	143,171	1,055
Surplus/(deficit) for the year		1,787	1,787	-	-
Net asset revaluation gain/(loss)	6.1	23,385	-	23,385	-
Transfers to other reserves	9.1	-	(119)	-	119
Transfers from other reserves	9.1	-	10	-	(10)
Balance at end of the financial year		326,856	159,135	166,556	1,164

2023 restated		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		284,953	147,908	136,084	961
Adjustment to recognise contributed assets	8.6	4,466	4,466	-	-
Adjusted opening balance		289,419	152,374	136,084	961
Surplus/(deficit) for the year		5,178	5,178	-	-
Net asset revaluation gain/(loss)	6.1	7,087	-	7,087	-
Transfers to other reserves	9.1	-	(94)	-	94
Balance at end of the financial year		301,684	157,458	143,171	1,055

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

Statement of Cash Flows

For the Year Ended 30 June 2024

	2024	2023
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Rates and charges	21,887	20,902
Statutory fees and fines	695	567
User fees	3,758	3,540
Grants - operating	4,991	14,427
Grants - capital	1,383	(172)
Contributions - monetary	433	280
Interest received	1,023	493
Net GST refund/payment	1,393	2,255
Employee costs	(12,581)	(12,199)
Materials and services	(16,764)	(23,823)
Short-term, low value and variable lease payments	(83)	(86)
Receipts from other Income	42	3
Trust funds and deposits repaid	109	(236)
Other payments	(598)	(620)
Net cash provided by/(used in) operating activities	5,688	5,331
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(7,014)	(7,458)
Proceeds from sale of property, infrastructure, plant and equipment	2,491	79
Payments for investments	(566)	(4,833)
Net cash provided by/(used in) investing activities	(5,089)	(12,212)
Cash flows from financing activities		
Finance costs	(134)	(138)
Repayment of borrowings	(605)	(931)
Interest paid - lease liability	(24)	(27)
Repayment of lease liability	(232)	(337)
Net cash provided by/(used in) financing activities	(995)	(1,433)
Net increase (decrease) in cash and cash equivalents	(396)	(8,314)
Cash and cash equivalents at the beginning of the financial year	9,468	17,782
Cash and cash equivalents at the end of the financial year	9,072	9,468

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

Statement of Capital Works For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Property			
Buildings		1,134	2,438
Total buildings		<u>1,134</u>	<u>2,438</u>
Total property		<u>1,134</u>	<u>2,438</u>
Plant and equipment			
Art Collection		148	22
Plant, machinery and equipment		353	531
Fixtures, fittings and furniture		455	350
Computers and telecommunications		174	112
Library books		92	90
Total plant and equipment		<u>1,222</u>	<u>1,105</u>
Infrastructure			
Roads		2,280	2,308
Bridges		452	170
Footpaths and cycleways		633	410
Drainage		562	246
Waste management		174	237
Parks, open space and streetscapes		285	419
Off street car parks		151	70
Other infrastructure		121	55
Total infrastructure		<u>4,658</u>	<u>3,915</u>
Total capital works expenditure		<u>7,014</u>	<u>7,458</u>
Represented by:			
New asset expenditure		2,161	1,495
Asset renewal expenditure		3,203	5,156
Asset expansion expenditure		-	494
Asset upgrade expenditure		1,650	313
Total capital works expenditure		<u>7,014</u>	<u>7,458</u>

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

Notes to the Financial Report **For the Year Ended 30 June 2024**

Note 1 OVERVIEW

Introduction

The Benalla Rural City Council was established by an Order of the Governor in Council on 28 October 2002 and is a body corporate. The Council's main office is located at the Customer Service Centre, 1 Bridge Street East, Benalla.

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

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

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- other areas requiring judgements.

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

Goods and Services Tax (GST)

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

Notes to the Financial Report For the Year Ended 30 June 2024

Note 2 ANALYSIS OF OUR RESULTS

2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$50,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

2.1.1 Income / Revenue and expenditure

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	21,899	22,263	364	2%	1
Statutory fees and fines	606	695	89	15%	2
User fees	3,622	3,758	136	4%	3
Grants - operating	6,839	3,949	(2,890)	-42%	4
Grants - capital	14,356	3,694	(10,662)	-74%	5
Contributions - monetary	257	433	176	68%	6
Contributions - non monetary	-	1,759	1,759	100%	7
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	25	171	146	584%	8
Other income	231	1,456	1,225	530%	9
Total income / revenue	47,836	38,178	(9,658)	-20%	
Expenses					
Employee costs	13,450	13,129	(321)	-2%	10
Materials and services	15,743	14,984	(759)	-5%	11
Depreciation	7,891	6,639	(1,252)	-16%	12
Amortisation - intangible assets	254	395	141	56%	13
Depreciation - right of use assets	341	233	(108)	-32%	14
Allowance for impairment losses	14	6	(8)	-57%	15
Borrowing costs	116	134	18	16%	16
Finance costs - leases	19	24	5	26%	17
Other expenses	555	847	292	53%	18
Total expenses	38,382	36,391	(1,991)	(0)	
Surplus/(deficit) for the year	9,453	1,787	(7,667)	-81%	

(i) Explanation of material variations

1	Rates and charges	Increases in rates and charges includes supplementary rates raised \$296,000. Additional interest income for year on outstanding rates \$19,000. Additional revenue in lieu of rates \$27,000.
2	Statutory fees and fines	Significantly higher Planning fees \$46,303; Building fees \$35,701; Certificate charges \$8,275; and Compliance fines \$7,003.
3	User fees	Additional income from Statutory Planning Fees Drainage headworks \$122,945 and Benalla Library operations \$8,861.

Notes to the Financial Report For the Year Ended 30 June 2024

2.1.1 Income / Revenue and expenditure

(i) Explanation of material variations (cont.)

4	Grants - operating	Decreased income \$5.388 million (Financial Assistance Grants) representing a 100% advancement of 2023/24 financial year grant received in June 2023. Additional income associated with the Natural Disaster Financial Assistance scheme \$560,913; Local Roads and Community Infrastructure Program \$311,954; Community Services projects \$294,698; Benalla Urban Growth Structure Plan \$150,000; and Council Flood Support Fund 23/24 \$100,000.
5	Grants - capital	\$10 million of budgeted natural disaster asset restoration funding not received as works not undertaken. Benalla Art Gallery Redevelopment Project grant income not received as construction delayed \$ 2.4 million; additional grant income associated with Blackspot Funding \$150,153.
6	Contributions - monetary	Additional contributions received towards community projects \$133,300 and Public Open space \$93,903.
7	Contributions - non monetary	Gifted assets from developments \$1.492 million and higher recognition of Volunteer Services \$167,237.
8	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Disposal of land resulted in a gain of \$818,176 offset by expenses of \$671,881. When assets are replaced, renewed, or upgraded the underlying book value of the asset must be written out of the asset register. This value is recorded as an income when a gain is made or as an expense when a loss results. The amount of the expense depends on the time of completion of works scheduled in the Capital Works Program.
9	Other income	Favourable return on investments due to increased investment rates \$836,707 and recognition of found infrastructure assets \$387,000.
10	Employee costs	Various staff vacancies across the organisation, filled with short term contractors (materials and services).
11	Materials and services	Favourable as reduced contribution to Landfill Rehabilitation Provision \$1.4 million offset by higher Contract Payments \$1.458 million; EPA Levy Fee \$343,617; Contract staff \$209,662 offsetting the savings in employee costs. Reduced expenditure with projects delayed until 2024/25: Benalla Indoor Recreation Centre planning and design \$800,000; Benalla Airport Masterplan \$105,000; Former Benalla Migrant Camp Conservation (Living Heritage Grants Program) \$97,500.
12	Depreciation	Delayed 22/23 and 23/24 capital works assets delivery resulted in reduced charges for year \$1.2 million.
13	Amortisation - intangible assets	Unfavourable due to higher amortisation expense for airspace than budgeted.
14	Depreciation - right of use assets	Favourable variance due to the purchase of vehicles reducing the actual expense relative to budget.
15	Allowance for impairment losses	Favourable variance due to less delays in settlement of debts has contributed to less than budgeted impairment loss adjustment.
16	Borrowing costs	Unfavourable variance due to increased interest rates resulting in more than budgeted interest expense.
17	Finance costs - leases	Favourable return on investments due to increased investment rates \$836,707 and recognition of found infrastructure assets \$387,000.
18	Other expenses	Unfavourable variance as additional items were finalised from 22/23 year (delivery delayed due to flood events) resulting in higher contributions grant funded Community Support and Events Street Art projects \$0.272 million in 23/24.

Notes to the Financial Report For the Year Ended 30 June 2024

2.1.2 Capital works

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Property					
Buildings	2,900	1,134	(1,766)	-61%	1
Heritage buildings	31	-	(31)	-100%	2
Total buildings	2,931	1,134	(1,797)	-61%	
Total property	2,931	1,134	(1,797)	-61%	
Plant and equipment					
Art Collection	-	148	148	100%	3
Plant, machinery and equipment	650	353	(297)	-46%	4
Fixtures, fittings and furniture	30	455	425	1417%	5
Computers and telecommunications	452	174	(278)	-62%	6
Library books	96	92	(4)	-4%	
Total plant and equipment	1,228	1,222	(6)	0%	
Infrastructure					
Roads	12,046	2,280	(9,766)	-81%	7
Bridges	500	452	(48)	-10%	8
Footpaths and cycleways	185	633	448	242%	9
Drainage	1,182	562	(620)	-52%	10
Waste management	2,633	174	(2,459)	-93%	11
Parks, open space and streetscapes	-	285	285	100%	12
Aerodromes	25	-	(25)	-100%	13
Off street car parks	-	151	151	100%	14
Other infrastructure	476	121	(355)	-75%	15
Total infrastructure	17,047	4,658	(12,389)	-73%	
Total capital works expenditure	21,206	7,014	(14,192)	-67%	
Represented by:					
New asset expenditure	3,364	2,161	(1,203)	-36%	
Asset renewal expenditure	16,505	3,203	(13,302)	-81%	
Asset expansion expenditure	1,337	-	(1,337)	-100%	
Asset upgrade expenditure	-	1,650	1,650	0%	
Total capital works expenditure	21,206	7,014	(14,192)	-67%	

Notes to the Financial Report For the Year Ended 30 June 2024

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	\$2.8 million Benalla Art Gallery Redevelopment planning and design progressed. Construction not commenced. Benalla Visitor Information Centre Redevelopment project finalised and operational from September 2023.
2	Heritage buildings	Works to Heritage building assessed as repairs and reallocated from capital works expenditure to operating expenditure.
3	Art Collection	Arthur Baird Memorial "Taking Flight" commissioned. Acquisition of art works via the Australian Government Cultural Gifts Program.
4	Plant, machinery and equipment	Major Plant: Truck replacement and trailer supply delayed until 24/25.
5	Fixtures, fittings and furniture	Benalla Town Hall Interior Upgrade project partly delivered in 22/23 finalised in 23/24.
6	Computers and telecommunications	Computer system purchases delayed due to collaborative IT project. Delivery to occur first quarter 24/25.
7	Roads	Estimated \$10 million to remediate damage caused by flood and storm events in October 2022 and January 2023. All emergency work has been completed and submitted for assessment to the Australian Government. All emergency work expensed as operating expenses in prior years.
8	Bridges	Price Road culvert works recognised in roads \$11,000.
9	Footpaths and cycleways	Lakeside Boardwalk renewal \$200,000 and Mair Street footpath replacement \$139,000.
10	Drainage	\$660,000 Drainage Strategy works delayed due to October 2022 flood event. Brown Street, Devenish works commenced 22/23 finalised \$312,616.
11	Waste management	Landfill rehabilitation works of \$2.024 million to be delivered in 24/25 due to a delay in the EPA approval of proposed design.
12	Parks, open space and streetscapes	Light replacement projects \$203,000, Mural Precinct new footpath and landscaping \$100,000 and Dog Park project \$74,000 completed.
13	Aerodromes	Works to facilities at Benalla Aerodrome assessed as repairs and therefore not capitalised.
14	Off street car parks	Denny Street Carpark upgrade commenced and to be finalised 24/25.
15	Other infrastructure	Bridge Street lighting project commenced and to be finalised in 24/25.

Notes to the Financial Report
For the Year Ended 30 June 2024

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Chief Executive Officer Division

Corporate Division

2.2.1 Chief Executive Officer Division

The Chief Executive division oversees the running of the entire organisation.

Corporate Division

The Corporate Division coordinates a wide range of services for the community through its various programs: Arts, Communication, Economic Development, Environment and Sustainability, Tourism and Events, Capital Projects, Community, Development, Facilities, Finance, Operations and People and Performance.

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

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Chief Executive Officer Division	13	886	(873)	-	-
Corporate Division	38,165	35,505	2,660	7,643	350,453
	38,178	36,391	1,787	7,643	350,453

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets ¹
	\$'000	\$'000	\$'000	\$'000	\$'000
2023 restated					
Chief Executive Officer Division	6	811	(805)	-	-
Corporate Division	45,458	39,475	5,983	19,178	328,175
	45,464	40,286	5,178	19,178	328,175

1 Restatement of opening balance Total Assets, refer note 8.6

* Total Assets impacted in prior year by restatement

Notes to the Financial Report For the Year Ended 30 June 2024

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

	2024	2023
3.1 Rates and charges	\$'000	\$'000

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its land plus all improvements on that land.

The valuation base used to calculate general rates for 2023/24 was \$5.361 billion (2022/23 \$4.489 billion).

General rates	15,039	14,176
Municipal charge	2,152	2,054
Service rates and charges	4,277	4,000
Supplementary rates and rate adjustments	296	317
Interest on rates and charges	72	53
Revenue in lieu of rates	427	400
Total rates and charges	22,263	21,000

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

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

3.2 Statutory fees and fines

Infringements and costs	34	34
Court recoveries	14	21
Town planning fees	333	259
Land information certificates	18	18
Permits	296	235
Total statutory fees and fines	695	567

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

3.3 User fees

Aged and health services	-	12
Leisure centre and recreation	543	497
Registration and other permits	226	242
Waste management services	2,797	2,732
Operations	174	42
Other fees and charges	18	15
Total user fees	3,758	3,540

User fees by timing of revenue recognition

User fees recognised over time	-	-
User fees recognised at a point in time	3,758	3,540
Total user fees	3,758	3,540

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
For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	3,557	9,126
State funded grants	4,086	10,051
Total grants received	<u>7,643</u>	<u>19,177</u>
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	229	6,545
General home care	12	-
<i>Recurrent - State Government</i>		
Aged care	166	149
School crossing supervisors	83	81
Libraries	161	161
Maternal and child health	419	303
Creative Arts Victoria	105	105
Youth Programs & Family Support	825	610
Emergency Resourcing	-	120
Fire Services Property Levy Administrative Support Funding	48	94
Social Inclusion Action Group SAIG	225	220
Total recurrent operating grants	<u>2,274</u>	<u>8,388</u>
<i>Non-recurrent - Commonwealth Government</i>		
Creative Australia - Carbon Neutral Program 2024	6	-
Paid Parental Leave	53	10
Local Road and Community Infrastructure	312	195
<i>Non-recurrent - State Government</i>		
Environmental Projects	42	53
Youth Programs & Family Support	76	176
Planning Projects	150	119
Economic Development	90	100
COVID-19 Support - Council Rapid Antigen Testing Program	60	78
Natural Disaster - Emergency Events	661	7,325
Library Programs	6	21
Art Gallery Project - Living Local	-	30
Living Heritage Grants Program, Benalla Migrant Camp Conservation	78	98
Free from Violence - Local Government Grant Project	50	1
Open Space Strategy Funding DJPR 2025-2035	36	-
Benalla CBD Pedestrian safety treatments project	55	-
Total non-recurrent operating grants	<u>1,675</u>	<u>8,206</u>
Total operating grants	<u>3,949</u>	<u>16,594</u>

**Notes to the Financial Report
For the Year Ended 30 June 2024**

3.4 Funding from other levels of government (cont.)

(b) Capital Grants

	2024	2023
	\$'000	\$'000
Recurrent - Commonwealth Government		
Roads to recovery	804	975
Total recurrent capital grants	804	975
Non-recurrent - Commonwealth Government		
Blackspot Funding	150	-
Drought Communities Funding	-	89
Local Road and Community Infrastructure	1,991	1,312
Non-recurrent - State Government		
Benalla Foreshore Funding	267	28
Department of Treasury & Finance - NDF	-	(665)
Department of Jobs, Precincts and Regions - Outdoor Activation Plan	-	213
Department of Jobs, Precincts and Regions - Outdoor Eating & Entertainment	-	74
Department of Environment, Land, Water and Planning - Emergency Water Supply	-	42
L2P Funding for New Vehicle	-	20
Department of Justice & Community Safety - Lighting the Lake	142	32
Department of Jobs, Precincts and Regions - Visitor Information Centre	-	425
Department of Jobs, Precincts and Regions - Art Gallery Redevelopment	339	38
Total non-recurrent capital grants	2,890	1,609
Total capital grants	3,694	2,584

(c) Recognition of grant income

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

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

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

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

Income recognised under AASB 1058 Income of Not-for-Profit Entities

General purpose	330	6,647
Specific purpose grants to acquire non-financial assets	3,694	2,584
Other specific purpose grants	2,340	8,983

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	1,278	963
	7,643	19,177

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

Operating		
Balance at start of year	249	158
Received during the financial year and remained unspent at balance date	15	91
Received in prior years and spent during the financial year	(86)	-
Balance at year end	178	249
Capital		
Balance at start of year	2,420	4,866
Received during the financial year and remained unspent at balance date	46	20
Received in prior years and spent during the financial year	(2,357)	(2,466)
Balance at year end	109	2,420

Unspent grants are determined and disclosed on a cash basis.

Notes to the Financial Report
For the Year Ended 30 June 2024

3.5 Contributions

	2024	2023
	\$'000	\$'000
Monetary	433	280
Non-monetary	1,493	350
Total contributions	1,926	630

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

Roads	887	-
Land	373	-
Other infrastructure	232	-
Recognition of Volunteer Services	267	350
Total non-monetary contributions	1,759	350

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

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

Proceeds of sale	2,491	79
Written down value of assets disposed	(2,320)	(233)
Total net gain/ (loss) on disposal of property, infrastructure, plant and equipment	171	(154)

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

3.7 Other income

Interest	1,023	493
Found Assets	387	-
Other	46	56
Total other income	1,456	549

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
For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
Note 4 THE COST OF DELIVERING SERVICES		
4.1 (a) Employee costs		
Wages and salaries	11,450	10,482
WorkCover	449	317
Superannuation	1,178	1,077
Fringe benefits tax	52	61
Total employee costs	13,129	11,937

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	36	37
	<u>36</u>	<u>37</u>
Employer contributions payable at reporting date.	91	82

Accumulation funds

Employer contributions - Local Authorities Superannuation Fund (Vision Super)	485	480
Employer contributions - Hesta Superannuation Fund	62	53
Employer contributions - Australian Superannuation Fund	86	71
Employer contributions - VicSuper Superannuation Fund	-	41
Employer contributions - Aware Superannuation Fund	95	-
Employee contributions - Australian Retirement Trust	51	33
Employer contributions - Hostplus Superannuation Fund	38	32
Employer contributions - other funds	361	329
	<u>1,178</u>	<u>1,039</u>
Employer contributions payable at reporting date.	91	82

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

4.2 Materials and services

Contract Payments	6,915	5,913
Materials and Services	1,892	7,832
Environmental Protection Authority Levy	1,470	1,248
Services non contract	1,533	1,175
Recognition of increase / (reduction) landfill rehabilitation	(1,463)	340
Vehicle Expenses	782	584
Insurance	526	484
Electricity and Utilities	592	600
Repairs and Maintenance	381	399
Contract Staff	313	217
Consultants General	378	126
Cleaning Expenses	269	207
Memberships and Subscriptions	227	186
Management Committees	90	90
Advertising and Promotion	86	104
Exhibition/Performance Costs	188	207
Legal Expenses	138	160
Training and development	142	157
Telephone	105	104
Volunteers Services	267	350
Postage	55	44
Machine Hire	17	27
Other	82	115
Total materials and services	14,984	20,669

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

4.3 Depreciation

Property	788	700
Plant and equipment	593	598
Infrastructure	5,258	4,768
Total depreciation	6,639	6,066

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

Notes to the Financial Report
For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
4.4 Amortisation - Intangible assets		
Software	-	12
Airspace at Landfill	395	326
Total Amortisation - Intangible assets	395	338

Refer to note 5.2 (c) for a more detailed breakdown of amortisation charges and accounting policy.

4.5 Depreciation - Right of use assets

Property	-	-
Vehicles	171	275
Plant, machinery and equipment	62	61
Total Depreciation - Right of use assets	233	336

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

4.6 Allowance for impairment losses

Other debtors	6	-
Total allowance for impairment losses	6	-

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	29	31
New allowances recognised during the year	6	29
Amounts already allowed for and written off as uncollectible	-	-
Amounts allowed for but recovered during the year	-	(31)
Balance at end of year	35	29

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.7 Borrowing costs

Interest - Borrowings	134	138
Less capitalised borrowing costs on qualifying assets	-	-
Total borrowing costs	134	138

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

4.8 Finance Costs - Leases

Interest - Lease Liabilities	24	27
Total finance costs	24	27

4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	96	54
Auditors' remuneration - Internal Audit	38	5
Councillors' allowances	250	239
Contributions - Community Support and Events Street Art	463	323
Total other expenses	847	621

Notes to the Financial Report
For the Year Ended 30 June 2024

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

	2024	2023
	\$'000	\$'000
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	1	1
Cash at bank	9,071	9,467
Total cash and cash equivalents	<u>9,072</u>	<u>9,468</u>
(b) Other financial assets		
Current		
Term deposits	17,608	17,042
Total current other financial assets	<u>17,608</u>	<u>17,042</u>
Non-current		
Term deposits	-	-
Total non-current other financial assets	-	-
Total other financial assets	<u>17,608</u>	<u>17,042</u>
Total cash and cash equivalents and other financial assets	<u>26,680</u>	<u>26,510</u>

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

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

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

	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,596	1,220
Net GST receivable	292	226
<i>Non statutory receivables</i>		
Other debtors	3,906	5,019
Allowance for expected credit loss - other debtors	(35)	(29)
Total current trade and other receivables	<u>5,759</u>	<u>6,436</u>
Total trade and other receivables	<u>5,759</u>	<u>6,436</u>

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. 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)	3,742	4,756
Past due by up to 30 days	26	157
Past due between 31 and 180 days	84	71
Past due between 181 and 365 days	13	2
Past due by more than 1 year	6	4
Total trade and other receivables	<u>3,871</u>	<u>4,990</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$35,000 (2023: \$29,000) were impaired. The amount of the allowance raised against these debtors was \$35,000 (2023: \$29,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	(1)	(2)
Past due by up to 30 days	(5)	-
Past due between 31 and 180 days	(7)	(7)
Past due between 181 and 365 days	(15)	(15)
Past due by more than 1 year	(6)	(5)
Total trade and other receivables	<u>(34)</u>	<u>(29)</u>

Notes to the Financial Report
For the Year Ended 30 June 2024

5.2 Non-financial assets	2024	2023
(a) Inventories	\$'000	\$'000
Inventories held for distribution	36	54
Total inventories	36	54

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	195	226
Total other assets	195	226

(c) Intangible assets

Software	44	44
Landfill airspace	3,159	3,554
Total intangible assets	3,203	3,598

	Software	Landfill	Total
	\$'000	\$'000	\$'000
Gross carrying amount			
Balance at 1 July 2023	135	4,954	5,089
Additions from internal developments	-	-	-
Other additions	-	-	-
Balance at 30 June 2024	135	4,954	5,089
Accumulated amortisation and impairment			
Balance at 1 July 2023	91	1,400	1,491
Amortisation expense	-	395	395
Balance at 30 June 2024	91	1,795	1,886
Net book value at 30 June 2023	44	3,554	3,598
Net book value at 30 June 2024	44	3,159	3,203

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Notes to the Financial Report
For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	3,872	2,568
Accrued expenses	709	671
Net GST payable	-	-
Total current trade and other payables	4,581	3,239

(b) Trust funds and deposits

Current		
Refundable deposits	755	645
Retention amounts	93	122
Other refundable deposits	78	50
Total current trust funds and deposits	926	817

(c) Contract and other liabilities

Contract liabilities		
Grants received in advance - operating	178	249
Grants received in advance - capital	109	2,420
Other	3	7
Total contract liabilities	290	2,676

Purpose and nature of items

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

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

Notes to the Financial Report
For the Year Ended 30 June 2024

5.4 Interest-bearing liabilities	2024	2023
	\$'000	\$'000
Current		
Other borrowings - secured	556	650
Total current interest-bearing liabilities	556	650
Non-current		
Other borrowings - secured	1,694	2,205
Total non-current interest-bearing liabilities	1,694	2,205
Total	2,250	2,855

Borrowings are secured by Council rates.

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

Not later than one year	556	650
Later than one year and not later than five years	1,314	1,577
Later than five years	380	628
	2,250	2,855

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 based on contractual repayment terms at every balance date.

5.5 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2024			
Balance at beginning of the financial year	2,754	13,649	16,403
Additional provisions	402	(1,366)	(964)
Amounts used	(157)	-	(157)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(84)	(97)	(181)
Balance at the end of the financial year	2,915	12,186	15,101
<i>Provisions - current</i>	2,746	1,250	3,996
<i>Provisions - non-current</i>	169	10,936	11,105
2023			
Balance at beginning of the financial year	3,016	13,308	16,324
Additional provisions	725	1,041	1,766
Amounts used	(962)	-	(962)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(25)	(700)	(725)
Balance at the end of the financial year	2,754	13,649	16,403
<i>Provisions - current</i>	2,540	2,230	4,770
<i>Provisions - non-current</i>	214	11,419	11,633

Notes to the Financial Report
For the Year Ended 30 June 2024

5.5 Provisions (cont.)

	2024	2023
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,043	966
Long service leave	122	169
	<u>1,165</u>	<u>1,135</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	-	-
Long service leave	1,581	1,405
	<u>1,581</u>	<u>1,405</u>
Total current employee provisions	<u>2,746</u>	<u>2,540</u>
Non-current		
Long service leave	169	214
Annual leave	-	-
Total non-current employee provisions	<u>169</u>	<u>214</u>
Aggregate carrying amount of employee provisions:		
Current	2,746	2,540
Non-current	169	214
Total aggregate carrying amount of employee provisions	<u>2,915</u>	<u>2,754</u>

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:	2024	2023
- discount rate	4.47%	4.07%
- index rate	1.43%	1.85%

Notes to the Financial Report
For the Year Ended 30 June 2024

5.5 Provisions (cont.)

	2024	2023
(b) Landfill restoration	\$'000	\$'000
Current	1,250	2,230
Non-current	10,936	11,419
	<u>12,186</u>	<u>13,649</u>

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

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

Key assumptions:	2024	2023
- discount rate	4.2%	4.10%
- index rate	3.4%	4.70%

5.6 Financing arrangements

	2024	2023
	\$'000	\$'000
The Council has the following funding arrangements in place as at 30 June 2024.		
Credit card facilities	100	100
Other facilities	2,250	2,855
Total facilities	<u>2,350</u>	<u>2,955</u>
Used facilities	<u>2,320</u>	<u>2,904</u>
Unused facilities	<u>30</u>	<u>51</u>

Notes to the Financial Report For the Year Ended 30 June 2024

5.7 Commitments

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

(a) Commitments for expenditure

2024	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					
Kerbside waste, recyclables, organics collection	1,994	1,950	6,063	5,221	15,228
Management of Aquatic Centre	805	-	-	-	805
Professional Services	439	-	-	-	439
Architectural Services	347	-	-	-	347
Landfill Equipment Hire	163	29	-	-	192
High Country Library Services	160	170	-	-	330
CODI - Software subscription	270	115	252	-	637
Cleaning contracts for council buildings	147	-	-	-	147
Building Surveyor Services	153	-	-	-	153
Migrant Camp Conservation	142	-	-	-	142
Animal Management	136	136	34	-	306
Powerline Clearance, Property Service Line Clearance & Auditing Service	106	17	-	-	123
Building HVAC Maintenance	49	-	-	-	49
Provision of Elm Leaf Beetle Treatment 2021 - 2026	25	10	25	-	60
After Hours Call Management	12	-	-	-	12
MAV Procurement Training	5	-	-	-	5
Total	4,953	2,427	6,374	5,221	18,975
Capital					
Parks and Open Spaces Projects	205	-	-	-	205
Supply and Delivery of Heated Emulsion Tank	58	-	-	-	58
Roads	5	-	-	-	5
Total	268	-	-	-	268
2023					
2023	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					
Kerbside waste, recyclables, organics collection	1,800	-	-	-	1,800
Management of Aquatic Centre	721	721	-	-	1,442
Recycling	330	-	-	-	330
Cleaning contracts for council buildings	223	130	-	-	353
Organics acceptance and processing	206	-	-	-	206
Cinema - Design and equipment	109	-	-	-	109
Lighting River Walk Section F / Botanical Gardens	102	-	-	-	102
Animal Management	100	17	-	-	117
Dry Hire of landfill compactor	69	11	-	-	80
Building Surveyor Services	45	-	-	-	45
Professional Services	41	41	-	-	82
Building HVAC Maintenance	25	25	-	-	50
Insurance Broking	22	-	-	-	22
After Hours Call Management	12	12	-	-	24
MAV Procurement Training	5	4	-	-	9
Total	3,810	961	-	-	4,771
Capital					
Buildings	296	-	-	-	296
Total	296	-	-	-	296

Notes to the Financial Report For the Year Ended 30 June 2024

5.8 Leases

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

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

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

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

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

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

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

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

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

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

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

Right-of-Use Assets	Property \$'000	Vehicles \$'000	Total \$'000
Balance at 1 July 2023	285	203	488
Additions	-	242	242
Depreciation charge	(62)	(233)	(295)
Balance at 30 June 2024	223	212	435

Lease Liabilities	2024 \$'000	2023 \$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	264	275
One to five years	256	258
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	520	533

Lease liabilities included in the Balance Sheet at 30 June:

Current	206	255
Non-current	243	246
Total lease liabilities	449	501

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:	2024 \$'000	2023 \$'000
Short-term leases	50	43
Leases of low value assets	33	43
Total	83	86

Notes to the Financial Report
For the Year Ended 30 June 2024

Note 6 ASSETS WE MANAGE

6.1. Restated property, infrastructure plant and equipment

Summary of property, infrastructure, plant and equipment

	Restated Carrying amount 30 June 2023	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Found \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Carrying amount 30 June 2024
Property	69,161	780	374	3,230	(788)	-	(1,814)	-	2,640	73,583
Plant and equipment	33,568	1,222	-	(22)	(593)	-	(57)	-	214	34,332
Infrastructure	184,718	4,402	1,119	20,178	(5,258)	387	(449)	(6)	188	205,279
Work in progress	3,416	610	-	-	-	-	-	(33)	(3,042)	951
	290,863	7,014	1,493	23,386	(6,639)	387	(2,320)	(39)	-	314,145

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	2,678	354	-	(2,640)	392
Plant and equipment	214	-	-	(214)	-
Infrastructure see note 1 below	524	256	(33)	(188)	559
Total	3,416	610	(33)	(3,042)	951

¹ Restatement of opening balance, refer note 8.6

Reconciliation of Infrastructure asset adjustment at 30 June 2023

Valuation adjustment to Roads	1,850
Valuation adjustment to Footpaths	794
Valuation adjustment to Drainage	1,822
Net additional assets	4,466 Refer Note 8.6

Notes to the Financial Report
For the Year Ended 30 June 2024

6.1. Property, infrastructure plant and equipment (cont.)
(a) Property

	Land - specialised	Land - non specialised	Land under Roads	Total Land & Land Improvements	Heritage buildings	Buildings	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	22,427	1,190	14,047	37,664	1,002	62,854	63,856	2,678	101,520
Accumulated depreciation at 1 July 2023	-	-	-	-	(952)	(31,407)	(32,359)	-	(32,359)
	22,427	1,190	14,047	37,664	50	31,447	31,497	2,678	69,161
Movements in fair value									
Additions	-	-	-	-	-	780	780	354	780
Contributions	-	-	374	374	-	-	-	-	374
Revaluation	-	-	1,702	1,702	46	2,993	3,039	-	4,741
Disposal	(1,598)	-	-	(1,598)	-	(442)	(442)	-	(2,040)
Write-off	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	2,640	2,640	(2,640)	2,640
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
	(1,598)	-	2,076	478	46	5,971	6,017	(2,286)	6,495
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(17)	(771)	(788)	-	(788)
Accumulated depreciation of disposals	-	-	-	-	-	226	226	-	226
Revaluation	-	-	-	-	(44)	(1,467)	(1,511)	-	(1,511)
Transfers	-	-	-	-	-	-	-	-	-
	-	-	-	-	(61)	(2,012)	(2,073)	-	(2,073)
At fair value 30 June 2024	20,829	1,190	16,123	38,142	1,048	68,825	69,873	392	108,015
Accumulated depreciation at 30 June 2024	-	-	-	-	(1,013)	(33,419)	(34,432)	-	(34,432)
Carrying amount	20,829	1,190	16,123	38,142	35	35,406	35,441	392	73,583

Notes to the Financial Report
For the Year Ended 30 June 2024

6.1. Property, infrastructure plant and equipment (cont.)

(b) Plant and Equipment

	Art Works \$'000	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Library books \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2023	30,178	4,366	1,563	861	853	214	37,821
Accumulated depreciation at 1 July 2023	-	(2,012)	(1,190)	(589)	(462)	-	(4,253)
	30,178	2,354	373	272	391	214	33,568
Movements in fair value							
Additions	148	353	455	174	92	-	1,222
Revaluation	-	-	-	-	8	-	8
Disposal	-	(123)	-	-	(22)	-	(145)
Transfers	-	-	214	-	-	(214)	214
	148	230	669	174	78	(214)	1,299
Movements in accumulated depreciation							
Depreciation and amortisation	-	(293)	(83)	(131)	(86)	-	(593)
Accumulated depreciation of disposals	-	65	-	-	23	-	88
Revaluation	-	-	-	-	(30)	-	(30)
	-	(228)	(83)	(131)	(93)	-	(535)
At fair value 30 June 2024	30,326	4,596	2,232	1,035	931	-	39,120
Accumulated depreciation at 30 June 2024	-	(2,240)	(1,273)	(720)	(555)	-	(4,788)
Carrying amount	30,326	2,356	959	315	376	-	34,332

**Notes to the Financial Report
For the Year Ended 30 June 2024**

**6.1. Property, infrastructure plant and equipment (cont.)
(c) Infrastructure**

	Roads¹	Bridges	Footpaths and cycleways¹	Drainage¹	Recreational, leisure and community facilities	Waste Management	Parks open space and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Restated												
At fair value 1 July 2023	222,034	68,298	10,310	30,624	776	6,176	2,811	5,047	2,152	207	524	348,434
Accumulated depreciation at 1 July 2023	(85,235)	(47,990)	(4,980)	(17,593)	(379)	(2,985)	(604)	(3,181)	(739)	(30)	-	(163,716)
	136,799	20,308	5,330	13,031	397	3,191	2,207	1,866	1,413	177	524	184,718
Movements in fair value												
Additions	2,280	452	608	562	-	43	285	-	151	21	256	4,402
Contributions	887	-	42	190	-	-	-	-	-	-	-	1,119
Revaluation	17,794	10,760	1,501	4,808	89	-	-	2,312	938	-	-	38,202
Found	-	774	-	-	-	-	-	-	-	-	-	774
Disposal	(802)	(232)	(117)	-	-	-	-	-	(269)	-	-	(1,420)
Write-off	-	-	-	-	(6)	-	-	-	-	-	(33)	(6)
Transfers	4	30	31	114	-	31	206	-	-	(228)	(188)	188
	20,163	11,784	2,065	5,674	83	74	491	2,312	820	(207)	35	43,259
Movements in accumulated depreciation												
Depreciation and amortisation	(3,122)	(742)	(159)	(306)	(17)	(473)	(187)	(188)	(46)	(18)	-	(5,258)
Revaluation	(7,097)	(7,650)	(790)	(2,805)	(46)	-	-	516	(152)	-	-	(18,024)
Accumulated depreciation of disposals	502	232	68	-	-	-	-	-	169	-	-	971
Found	-	(387)	-	-	-	-	-	-	-	-	-	(387)
Transfers	-	-	-	-	-	-	(48)	-	-	48	-	-
	(9,717)	(8,547)	(881)	(3,111)	(63)	(473)	(235)	328	(29)	30	-	(22,698)
At fair value 30 June 2024	242,197	80,082	12,375	36,298	859	6,250	3,302	7,359	2,972	-	559	391,693
Accumulated depreciation at 30 June 2024	(94,952)	(56,537)	(5,861)	(20,704)	(442)	(3,458)	(839)	(2,853)	(768)	-	-	(186,414)
Carrying amount	147,245	23,545	6,514	15,594	417	2,792	2,463	4,506	2,204	-	559	205,279

¹ Restatement of opening balance, refer note 8.6

Notes to the Financial Report
For the Year Ended 30 June 2024

6.1. Property, infrastructure plant and equipment (cont.)

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. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
land	-	-
land improvements	60 - 100 years	5
Buildings		
buildings	60 - 100 years	5
building and leasehold improvements	60 - 100 years	5
Plant and Equipment		
heritage plant and equipment	4 - 33 years	5
plant, machinery and equipment	4 - 33 years	5
others		
Infrastructure		
roads - pavements, substructure, formation and earthworks	15 - 200 years	5
roads - kerb, channel and minor culverts and other	80 - 100 years	5
bridges - deck and substructure	80 - 100 years	5
bridges - others	80 - 100 years	5
footpaths and cycleways	80 - 100 years	5
aerodromes	80 - 100 years	5
others	80 - 100 years	5
Intangible assets	1 - 10 years	5

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

6.1. Property, infrastructure plant and equipment (cont.)

Valuation of land and buildings

Valuation of land and buildings were undertaken at 30 June 2022 by a qualified independent valuer Marcus L W Hann, AAPI, Certified Practising Valuer, of LG Valuation Services. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Date of indexation valuation	Type of Valuation
Land	-	20,829	-	Jun-22		Full
Non - specialised Land	-	-	1,190	Jun-22		Full
Land under roads				Jun-24		Full valuation Marcus L W Hann, AAPI, Certified Practising Valuer, of LG Valuation Services
Heritage Buildings	-	-	16,123	Jun-22	Jun-24	Indexed Valuation Valuer General (VGV)
Buildings	-	-	35,406	Jun-22	Jun-24	Indexed Valuation Valuer General (VGV)
Total	-	20,829	52,754			

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Date of indexation valuation	Type of Valuation
Roads	-	-	147,245	Jun-19	Jun-24	Indexed valuation Rawlinsons BPI 30 June 2024 8.1% (Rawlinsons 2024 Edition 42).
Bridges	-	-	23,545	Jun-22	Jun-24	Indexed valuation Rawlinsons BPI 30 June 2024 15.66% (Rawlinsons 2024 Edition 42 8.1%, Rawlinsons 2023 Edition 41 7.56%).
Footpaths and cycleways	-	-	6,514	Jun-19	Jun-24	Indexed valuation Rawlinsons BPI 30 June 2024 15.66% (Rawlinsons 2024 Edition 42 8.1%, Rawlinsons 2023 Edition 41 7.56%).
Drainage	-	-	15,594	Jun-21	Jun-24	Indexed valuation Rawlinsons BPI 30 June 2024 15.66% (Rawlinsons 2024 Edition 42 8.1%, Rawlinsons 2023 Edition 41 7.56%).
Recreational, leisure and community facilities	-	-	417	Jun-22	Jun-24	Indexed valuation VGV Building Cost Index - 11.6% (22-23 7%, 23-24 4.6%)
Waste management	-	-	2,792	Jun-22		
Parks, open space and streetscapes	-	-	2,463	Jun-22		
Aerodromes	-	-	4,506	Jun-24	Jun-24	Valuation - Peter Moloney MIEAust (Moloney Asset Management Services) Indexed valuation Rawlinsons BPI 30 June 2024 8.1% (Rawlinsons 2024 Edition 42).
Off Street Car Parks	-	-	2,204	Jun-24	Jun-24	Valuation - Peter Moloney MIEAust (Moloney Asset Management Services) Indexed valuation Rawlinsons BPI 30 June 2024 8.1% (Rawlinsons 2024 Edition 42).
Total	-	-	205,279			

Valuation of Art Work

Valuation of art work assets has been determined by qualified independent valuer Simon Storey RSV, of Simon Storey Valuers, valued the collections on the basis of Fair Value under the Australian Accounting Standards Board (AASB13) "Fair Value Measurement" and (AASB116) "Property Plant and Equipment", and other relevant accounting and valuations directives and guidance.

The standard AASB13 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. The assets valued in the Benalla Art Gallery Collection are considered to be level 2 in the AASB 13 Fair Value hierarchy. Briefly, level 2 is a measure of value against similar items in a similar market. Values ascribed were obtained from current market values of like items as at 30 June 2022.

Notes to the Financial Report For the Year Ended 30 June 2024

6.1. Property, infrastructure plant and equipment (cont.)

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 20% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1,200 and \$4.4 million per hectare.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$300 to \$400,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 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 current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 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 infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2024	2023
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	16,123	14,047
Land - specialised	20,829	22,427
Total specialised land	36,952	36,474

Notes to the Financial Report For the Year Ended 30 June 2024

Note 7 PEOPLE AND RELATIONSHIPS

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Benalla Rural City Council is the parent entity.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

		2024	2023
		No.	No.
Councillors	Councillor Danny Claridge (Mayor) (Nov 23 - 30 June 2024)	1	1
	Councillor Justin King (Deputy Mayor) (Nov 23 - 30 June 2024)	1	1
	Councillor Bernie Hearn (Nov 23 - 30 June 2024)	1	1
	Councillor Peter Davis (Nov 23 - 30 June 2024)	1	1
	Councillor Don Firth (Nov 23 - 30 June 2024)	1	1
	Councillor Punarji Hewa Gunaratne (Nov 23 - 30 June 2024)	1	1
	Councillor Gail O'Brien (Nov 23 - 30 June 2024)	1	1
	Dom Testoni (Chief Executive Officer)	1	1
	Robert Barber (General Manager Corporate)	1	1
		7	7
Total Number of Councillors		7	7
Total of Chief Executive Officer and other Key Management Personnel		2	2
Total Number of Key Management Personnel		9	9

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2024	2023
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	734	645
Other long-term employee benefits	3	17
Post-employment benefits	48	44
Termination benefits	-	-
Total	785	706

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

	2024	2023
	No.	No.
\$20,000 - \$29,999	4	5
\$30,000 - \$39,999	-	1
\$60,000 - \$69,999	2	-
\$40,000 - \$49,999	1	-
\$70,000 - \$79,999	-	1
\$210,000 - \$219,999	-	1
\$230,000 - \$239,999	1	-
\$250,000 - \$259,999	-	1
\$300,000 - \$309,999	1	-
	9	9

Notes to the Financial Report
For the Year Ended 30 June 2024

7.1 Council and key management remuneration (cont.)

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP.

	2024	2023
	\$'000	\$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	160	448
Other long-term employee benefits	(17)	21
Post-employment benefits	18	49
Total	<u>161</u>	<u>518</u>

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

	2024	2023
	No.	No.
Income Range:		
\$160,000 - \$169,999	-	2
\$180,000 - \$189,999	1	1
	<u>1</u>	<u>3</u>
	\$'000	\$'000
	*	

Total remuneration for the reporting year for other senior staff included above, amounted to:

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the Local Government Act 1989. been removed as no longer relevant. The other senior staff remuneration threshold under 7.1(d) has also been increased to \$170,000 for 2023-24.

161	518
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7.2 Related party disclosure

(a) Transactions with related parties

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

1) *During the period a key management person had a child receiving remuneration as a casual employee of Council.*

19	16
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(b) Outstanding balances with related parties

There are nil balances outstanding at the end of the reporting period in relation to transactions with related parties.

(c) Loans to/from related parties

There are no loans to / from related parties.:

(d) Commitments to/from related parties

There are no commitments to / from related parties.

Notes to the Financial Report **For the Year Ended 30 June 2024**

Note 8 MANAGING UNCERTAINTIES

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

Council has no contingent assets as at 30 June 2024 (2023: Nil).

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Landfill

Council operates a landfill at Lot 27B Old Farnley Road, Benalla. Council will have to carry out site rehabilitation works in the future and has been requested by the Environment Protection Authority to provide a \$400,000 Bank Guarantee as financial assurance in respect of this operation. At balance date Council has recognised a landfill rehabilitation provision to reflect the financial implications of such assurances.

Council has two Landfill Acceptance and Disposal contracts for the receipt of municipal waste which require Council to provide a total of \$164,960 Bank Guarantee as security in respect of these contracts. Each Landfill Acceptance and Disposal contract covers 9 years duration ending 30 June 2024.

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

Insurance claims

Council is not aware of any major insurance claims that could have a material impact on future operations.

Legal matters

Council is not aware of any major legal matters that could have a material impact on future operations.

Liability Mutual Insurance

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

Notes to the Financial Report

For the Year Ended 30 June 2024

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards. Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities to modify AASB 13 Fair Value Measurement. AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The AASB 13 modifications:

- are applicable only to not-for-profit public sector entities;
- are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
- are to be applied prospectively for annual periods beginning on or after 1 January 2024;
- would not necessarily change practice for some not-for-profit public sector entities; and
- do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13.

Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants. AASB 2022-6 amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about long term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments in AASB 2022-6 are effective for annual periods beginning on or after 1 January 2024. Council will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

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 material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

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

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

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

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

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

Notes to the Financial Report **For the Year Ended 30 June 2024**

8.3 Financial instruments (cont.)

(c) Credit risk

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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 + 1.5% and -1.5% in market interest rates (AUD) from year-end rates of 4.02%.

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 For the Year Ended 30 June 2024

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

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

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

Asset class	Revaluation frequency
Land	3 to 5 years
Buildings	3 to 5 years
Roads	3 to 5 years
Bridges	3 to 5 years
Footpaths and cycleways	3 to 5 years
Drainage	3 to 5 years
Recreational, leisure and community facilities	3 to 5 years
Waste management	3 to 5 years
Parks, open space and streetscapes	3 to 5 years
Aerodromes	2 to 3 years
Art Works	2 to 3 years
Other infrastructure	3 to 5 years

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

Impairment of assets

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

8.5 Events occurring after balance date

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

Notes to the Financial Report For the Year Ended 30 June 2024

8.6 Adjustments directly to equity

Through processing developer contributions during the 2023-24 financial year, Council identified contributed assets totalling \$4.466 million, which had a practical completion date prior to 1 July 2023. These assets were not reflected in the asset register or general ledger prior to 1 July 2023. In the year ended 30 June 2024, these contributed assets have been brought to account as an adjustment to the Council's opening accumulated surplus in the 2022-23 year. 2023 figures in the Balance Sheet, Statement of Changes in Equity and in the Notes 2.2.2 and 6.1 have been restated.

	2024 \$'000	2023 \$'000
Property, infrastructure plant and equipment - (c) Infrastructure		
Roads	-	1,850
Drainage	-	1,822
Footpaths	-	794
Total infrastructure	-	4,466
Equity		
Accumulated surplus		
Accumulated surplus	-	4,466
Total Accumulated surplus	-	4,466

The effect of Council recognising infrastructure assets owned in the 2022/23 year is an increase to that year's opening balance of accumulated surplus \$4.466 million and a increase to property, infrastructure, plant and equipment of \$4.466 million.

Reconciliation of changes to the 2022-2023 Balance Sheet, Note 6.1 Property, infrastructure, plant and equipment and Statement of Changes in Equity

	Original 2022-2023 Balances \$'000	Impact Increase/ (decrease) \$'000	Adjusted 2022-2023 Balances \$'000
Balance sheet			
Property, infrastructure, plant and equipment	286,397	4,466	290,863
Total non-current assets	290,483	4,466	294,949
Total Assets	323,709	4,466	328,175
Net assets	297,218	4,466	301,684
Accumulated surplus	152,992	4,466	157,458
Total Accumulated surplus	297,218	4,466	301,684
	Adjusted 2022-2023 Balances \$'000	Impact Increase/ (decrease) \$'000	Adjusted 2023-2024 Balances \$'000
Statement of Changes in Equity			
Accumulated surplus	152,992	4,466	157,458
Total Equity	297,218	4,466	301,684

Notes to the Financial Report For the Year Ended 30 June 2024

Note 9 OTHER MATTERS

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2024			
Property			
Land and land improvements	15,565	-	15,565
Land under Roads	6,668	1,702	8,370
Buildings	15,953	1,528	17,481
	38,186	3,230	41,416
Plant and Equipment			
Art Works	21,017	-	21,017
Library Stock	106	(22)	84
	21,123	(22)	21,101
Infrastructure			
Roads	70,015	10,697	80,712
Bridges	9,004	3,110	12,114
Drainage	2,431	2,003	4,434
Footpaths and cycleways	1,168	711	1,879
Recreational, leisure and community facilities	-	43	43
Waste management	785	-	785
Aerodromes	323	2,828	3,151
Parks, open space and streetscapes	77	-	77
Off-street car parks	59	786	845
	83,862	20,178	104,040
Total asset revaluation reserves	143,171	23,386	166,557
2023			
Property			
Land and land improvements	15,565	-	15,565
Land under Roads	6,668	-	6,668
Buildings	13,894	2,059	15,953
	36,127	2,059	38,186
Plant and Equipment			
Art Works	21,017	-	21,017
Library Stock	97	9	106
	21,114	9	21,123
Infrastructure			
Roads	64,996	5,019	70,015
Bridges	9,004	-	9,004
Drainage	2,431	-	2,431
Footpaths and cycleways	1,168	-	1,168
Waste management	785	-	785
Aerodromes	323	-	323
Parks, open space and streetscapes	77	-	77
Off Street Car Parks	59	-	59
	78,843	5,019	83,862
Total asset revaluation reserves	136,084	7,087	143,171

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

Notes to the Financial Report
For the Year Ended 30 June 2024

9.1 Reserves (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
(b) Other reserves				
2024				
Resort and Recreation	272	119	-	391
Winton Land	10	-	(10)	-
Benalla Urban Grown Headworks Charge	78	-	-	78
Lake Mokoan inlet Channel	695	-	-	695
Total Other reserves	1,055	119	(10)	1,164
2023				
Resort and Recreation	248	24	-	272
Winton Land	10	-	-	10
Benalla Urban Grown Headworks Charge	78	-	-	78
Lake Mokoan inlet Channel	625	70	-	695
Total Other reserves	961	94	-	1,055

Reserve Nature and Purpose

Resort and Recreation Contributions made by developers for recreation purposes (minimum of 5% for any new developments for open space reserves).

Winton Land Originated from the former Shire of Benalla for a community project within the Winton township.

Benalla Urban Growth Headworks Charge Contributions made by developers for connection to the Benalla Urban Growth drainage system.

Lake Mokoan Inlet Channel Compensation of \$695,000 received from Goulburn Murray Water in relation to the transfer of assets of the decommissioned Lake Mokoan Inlet Channel. The funding received under the terms of the agreement was to compensate the Council for the ongoing renewal of these assets and was not restricted.

Notes to the Financial Report
For the Year Ended 30 June 2024

	2024	2023
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	1,787	5,178
<i>Non-cash adjustments:</i>		
Depreciation/amortisation	7,267	6,741
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(171)	154
Borrowing Cost	134	138
Finance Cost - leases	24	27
Assets written off	39	-
Landfill Rehabilitation Provision adjustment accounted for as an expense		(340)
Contributions - Non-monetary assets	(1,493)	-
Other- Found assets	(387)	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	677	(2,755)
(Increase)/decrease in prepayments	31	(72)
Increase/(decrease) in trade and other payables	1,342	(1,541)
(Decrease)/increase in unearned income /revenue contract and other liabilities	(2,386)	(2,354)
(Increase)/decrease in inventories	18	(27)
(Decrease)/increase in provisions	(1,302)	418
Increase/(decrease) in trust funds and deposits	109	(236)
Net cash provided by/(used in) operating activities	5,688	5,331

9.3 Superannuation

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

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023: 10.5%)).

Defined Benefit

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

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI were:

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

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 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.

Notes to the Financial Report For the Year Ended 30 June 2024

9.3 Superannuation (cont.)

Employer contributions

(a) Regular contributions

On the basis of the results of the 2023 triennial 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 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

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

(b) Funding calls

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

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

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

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

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

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

The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

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

	2023 (Triennial) \$m	2022 (Interim) \$m
- A VBI Surplus	84.7	44.6
- A total service liability surplus	123.6	105.8
- A discounted accrued benefits surplus	141.9	111.9

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 2023.

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 2023.

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 2023.

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For the Year Ended 30 June 2024

9.3 Superannuation (cont.)

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by 31 October 2024.

The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns 5.6% pa
 Salary information 3.5% pa
 Price inflation (CPI) 2.7% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2020 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

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

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2024 are detailed below:

Scheme	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision Super	Defined benefits	11.0% (2023:10.5%)	36	37
Vision Super	Accumulation	11.0% (2023:10.5%)	449	443
Hesta Superannuation Fund	Accumulation	11.0% (2023:10.5%)	62	53
Australian Superannuation Fund	Accumulation	11.0% (2023:10.5%)	86	71
VicSuper Superannuation Fund	Accumulation	11.0% (2023:10.5%)	-	41
Hostplus Superannuation Fund	Accumulation	11.0% (2023:10.5%)	38	33
Employer contributions - other funds	Accumulation	11.0% (2023:10.5%)	507	361

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$36,000.

Notes to the Financial Report
For the Year Ended 30 June 2024

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2023-24 year.

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