

Benalla Rural  
City Council

# ANNUAL REPORT 16-17



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Benalla Rural  
City Council

# ANNUAL REPORT 16-17





# Chief Executive Officer Overview



## 'DOING THE SAME WITH LESS'

The year under review has seen the full implementation of our internally driven strategy adopted by the Council in March 2016 of reducing overheads and employee costs in order to maintain service delivery to the community.

Our rate-capped environment coupled with a decline in Federal and State Government financial assistance has been challenging.

Notwithstanding, our financial performance has been credible with a better than budget result at the half year mark to 31 December 2016 of \$442,000 and a favourable nine-month operating result to 31 March 2017 of \$83,000.

## FINANCIAL RESULT

The year-end financial result to 30 June 2017 is an operating surplus of \$2.530 million. The magnitude of this result is primarily due to an advance payment of \$1.963m from the Federal Government which represents 50 per cent of our 2017/18 Grants Commission allocation.

## ADVOCACY

### Benalla Munitions Facility

The Benalla Munitions Facility is located on Commonwealth land (1534 hectares) on the Benalla Yarrowonga Road, Benalla.

The site was established in 1993 and by agreement with Australian Defence Industries Limited, it was given an exemption from the payment of rates for an initial period of five years.



The agreement provided that in the subsequent four years, payment equivalent to 25 per cent, 50 per cent, 75 per cent and 100 per cent of the full rate would be phased in.

This arrangement existed up to and including the financial year ended 30 June 2016.

On 7 July 2016, the Department of Defence through property management agents informed the Council that the Commonwealth of Australia was now the owner of the Benalla Munitions Facility following purchase of the site from Thales Australia Limited with ownership transferring to the Commonwealth on 1 July 2015.

The letter further advised that Thales Australia Limited would continue to operate the facility under a contract with the Commonwealth Department of Defence, however, under the Commonwealth of Australia Constitution Act, the Commonwealth now had no liability to pay Council rates. The letter indicated that this would be effective from 1 July 2016. The payment due to the Council for the 2016/17 Financial Year was \$447,434.



Legal advice was sought by the Council and following representation to Senator Bridget McKenzie, a meeting was arranged in Canberra on 17 October 2016 with the Minister for Defence Senator Marise Payne.

As an outcome of the meeting, the full payment was made as a contribution in lieu of rates by the Commonwealth Government for the 2016/17 financial year and further discussion with the Department of Defence has resulted in transitional payments being made over the next three years.

### **Melbourne to Albury Passenger Rail Service**



In September 2016, the Council joined a collaboration with the three regional Councils of Albury, Wodonga and Wangaratta and the Border Rail Action Group to undertake a research project to address community concern in relation to the passenger Rail Services provided by V/Line. The Council committed \$20,000 to the project to present the strongest possible case for investment in the north east line through track improvement and replacement of ageing rolling stock.

The research project was completed and adopted by the group in March 2017 and provided to the Federal Minister for Infrastructure and Transport Darren Chester MP and the State Minister for Public Transport Jacinta Allan MP. In the 2017/18 Federal Budget announcements in May 2017 an allocation of \$100m was made to improve the condition of the track.

### **Council Elections**

A new Council came into office on 9 November 2016 following Local Government Elections on 22 October 2016.

The composition of the Council changed significantly with five new Councillors in a seven-member Council.

An intensive and comprehensive Induction Program followed in the months of November and December 2016.

In accordance with the statutory requirements of the Local Government Act 1989 the Council went on to prepare its four-year Council Plan and Strategic Resource Plan (2017-2021).





## Community Satisfaction

The annual state-wide Community Satisfaction Survey undertaken independently on behalf of the State Government was conducted in the months of February and March 2017 with the overall performance of the Council rated 54 (51-2016) against a state-wide average of 59 and Small Rural Council average of 58. Customer Service was rated at 70.

### Other areas that rated well were:

Appearance of public areas	73
Emergency and disaster management	71
Parking facilities	70
Elderly support services	69
Community and cultural activities	68
Family support services	67
Traffic management	67
Recreational facilities	65
Waste management	62
Disadvantaged support services	61
Environmental sustainability	59
Tourism development	58

The Council newsletter circulated by mail received the top rating as the best form of communication with the community and responses to six tailored questions in the survey produced the following results:

Providing libraries	82
Providing arts centres	77
Community development	58
Tourism promotion and support	58
Providing youth services and activities	51
Economic or business development	48

## Acknowledgement

I wish to acknowledge the ongoing support of the following Leadership Team members in assisting me in completing another successful year.

### Robert Barber

General Manager Corporate & Community

### Veronica Schilling

General Manager Development & Environment

### Jilian Mulally

Manager Arts Communications Tourism & Events

### Cathy Fitzpatrick

Manager Finance

### Jane Archbold

Manager Community Development

### Janine McMaster

Manager People & Performance

### Deb Randich

Manager Community Services

### Bryan Campbell

Manager Infrastructure

### Nilesh Singh

Manager Development

### Greg Robertson

Manager Facilities




**Tony McIlroy**  
Chief Executive Officer

# The Year In Review



## PROJECT AND OPERATIONAL HIGHLIGHTS

### COMMUNITY PLAN LAUNCHES 20-YEAR VISION



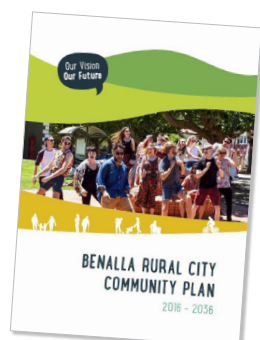
The Council's first ever long-term Community Plan was launched on Thursday 1 September 2016, setting the priorities for the community for the next 20 years.

The Community Plan will be used as a reference for planning by community groups and organisations, businesses and the Council to develop strategic plans and funding submissions.

The Plan identified 46 strategic directions that will guide the way forward for the community over the next 20 years.

The Community Plan was developed after extensive consultation with the community, including kitchen table discussions, workshops, postcards, online engagement and open house sessions.

The project was community-driven, led by 11 independent community members on the Community Plan Project Steering Committee.



### ADVENTURE PARK PROJECT IN THE BOTANICAL GARDENS

In 2016/17 the construction of a \$610,000 nature-based adventure playground in the Benalla Botanical Gardens will replace the existing play equipment.

The adventure playground was designed by Andrew Laidlaw, who designed the award winning children's garden at the Royal Botanic Gardens in Melbourne and other sites around Victoria.

The iconic rocket slide, which in 2016 turned 50, underwent a major refurbishment and was returned to its original colours of silver and red.

Features of the adventure playground include a ropes course, hammock, Hobbit Caves, sand play area and rock balancing pathways and a meandering river course with a mud play area as well as a separate and a protected area for smaller children to use.

Materials used in the construction promote nature play and are sympathetic with their setting in the state heritage-listed gardens.





Some of the furniture used in the playground has been constructed by local students from Benalla P-12 College's *Hands on Learning Program*, supported by Benalla's *Tomorrow Today Foundation*.

The toilet block within the existing playground was demolished and construction of new family-friendly toilets and change facility was undertaken at the same time as the playground redevelopment.

The new toilet block has been designed to be family friendly with accessible facilities, wider stalls and an outside hand washing area for cleaning up after play. The new block is set back closer to the barbecue area to allow more space for the playground and improve visibility for parents with multiple children at play.

The funding partners for the project are:

State Government	\$400,000
Benalla Rural City Council	\$165,000
Friends of the Gardens	\$10,000
Tomorrow Today Foundation	\$15,000
In kind contributions: Hands on Learning, Rotary, Lions, Friends of the Gardens, GOTAFE	\$20,000
<b>Total</b>	<b>\$610,000</b>

"The design of the precinct is around social inclusion, imaginative play and encouraging healthy activity for our local families," said Veronica Schilling, General Manager Development and Environment.

"The Council has a commitment to making our community as accessible as possible to people of all abilities, and this has been factored into the design.

"The children's playground with its unmistakable rocket slide is a great drawcard to visitors. We have around 2,000 people a day come through the Benalla Botanical Gardens, and this new children's precinct will give people of all ages another reason to stop and look around our town.

"Thank you to the State Government for the funds to make this project possible, and the Friends of the Gardens who have persevered with their vision for this important and much-loved community asset."

## ROADS AND BRIDGES

### The Council:

- Graded 499.55 km of unsealed roads
- Replaced 18 lineal metres of kerb and channel works
- Replaced 64m<sup>2</sup> of concrete footpaths to reduce trip hazards, including Clarke Street and Bridge Street
- Completed 60 percent of work on Stage 1 and 2 of the Devenish drainage upgrade
- Completed gravel road re-sheeting of 13.86km of the unsealed road network
- Completed 16.32km of road network resealing
- Graded 106.9km of sealed road shoulders
- Responded to 337 after-hours call outs
- Completed 1,914 customer requests
- Responded to and completed 1,483 routine maintenance and safety defects
- Issued 73 rural road numbers
- Processed 1,129 Dial Before You Dig enquiries
- Repaired Tatong Moorngag Road, Tatong with shoulder width extension and the installation of new guard rails
- Replaced the wooden bridge at Webbs Road, Goomalibee, and installed a steel guard rail
- Replaced the bridge at Watchbox Creek Bridge, Molyullah, and installed a new guard rail and signage
- Repaired Williams Road bridge, Lima South.



**189 Building Permits issued and 565 building inspections completed.**

## OTHER PROJECTS

- Completed a review of the Benalla Landfill as a possible regional waste facility
- Benalla Airport redevelopment \$1.6 million
- BPACC lighting and sound improvements \$150,000

## CAPITAL GRANTS

Recurrent - Commonwealth Government	
Roads to recovery	1,541,000
Non-recurrent - Commonwealth Government	
Roads - National Disaster Relief	173,000
Aerodrome - Benalla Airport	658,000
Non-recurrent - State Government	
Art Gallery - Acquisitions	10,000
Parks, open space and Streetscapes	40,000
Other - Infrastructure	239,000
<b>Total non-recurrent capital grants</b>	<b>1,120,000</b>
<b>Total capital grants</b>	<b>2,661,000</b>

### Other Infrastructure \$239,000 includes:

40463.BRD958: Roads / Buildings Income | William Rd Bridge - Renewal Programme (Aust Govt DOIRD) 2016/17

40463.BRD960: Roads / Buildings Income | Culvert - Kennedy Creek Sydney Road (Income)

40463.BUI915: Roads / Buildings Income | Senior Citizens Comm Centre Renovation Project Stronger Communities

Planted more than **9,000 trees and shrubs** along the Hollands Biolink Channel in partnership with the Regent Honey Eater planting program.





## THE YEAR IN REVIEW



### July

- Benalla Art Gallery received a \$5000 donation from Moran Arts Foundation.
- Draft Community Plan presented for community feedback.
- Landfill feasibility study starts for regional centre.
- **Work starts on the Adventure Park in the Botanical Gardens.**
- NAIDOC Week Celebrations were held.



### August

- Road conditions after flood lead to Council call for safe driving.
- Council looks to 2036 with long-term Community Plan consultation.
- **North East Small Business Festival.**
- The Council assumed operational responsibility for the Sir Edward Weary Dunlop Learning Centre under shared services arrangement with Wangaratta, Alpine and Mansfield Councils.
- In August 2016, the Council launched its corporate Facebook page. In September 2016, a single post relating to flooding reach more than 18,000 people.



### September

- The story of Romeo and Juliet was told in a classical ballet at BPACC.
- **The Council's Community Plan was launched.**
- RUOK Day and Youth Mental Health Forum put mental health in the spotlight.
- Doug Moran National Portrait Prize exhibited at the Benalla Art Gallery.



### October

- In October 2016, the Council re-designed the official Benalla tourism website [enjoybenalla.com.au](http://enjoybenalla.com.au) and Facebook page, which, from October to December 2016 saw a 290% increase in traffic from the same period the previous year.
- Big, Blonde and Beautiful performed a musical tribute at BPACC.
- **Dedicated volunteers were represented at the Victorian Senior of the Year Awards.**
- Students ride, scooter and walk to school in National Ride2SchoolDay.
- New bus shelter for Benalla students.
- Indigenous children find their voice in Short Black Opera at BPACC.



### November

- Cr Don Firth elected Mayor.
- Benalla Festival celebrated The Sky is the Limit.
- Flood damage repair underway.
- **Council machinery was upgraded with the purchase of a new grader.**
- Benalla marched against violence.



## December

- **Benalla Council wins two Fire Awareness Awards.**
- Council and Rotary spread Christmas cheer.
- The Benalla L2P program was a driving success for licence learners.
- New public place recycle bins installed in Benalla.
- Benalla Library launches the Summer Reading Club.



## January

- **Family Day Care and In-Home Family Care programs transfer to industry operators.**
- The launch of the Benalla pilot Live4Life Youth Suicide Prevention Program.
- Adventure Park is close to blast off.
- Australia Day celebrations are held across Benalla Rural City.
- Benalla hosted major events including the 34th World Gliding Championships and the third Wall to Wall Festival.



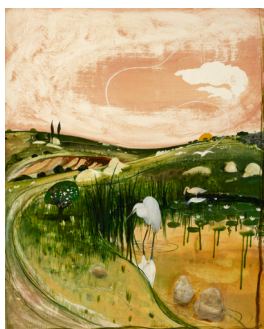
## February

- **Benalla hosted Stage 3 of the 2017 Jayco Herald Sun Tour.**
- Rock royalty was celebrated in a Queen tribute show at BPACC.
- Funding round opened for 2017 community groups and events.
- Wendy Whiteley opened the Brett Whiteley exhibition, *West of the Divide* at the Benalla Art Gallery on 11 February 2017.



## March

- Free community performance, Carpe Diem, performed in Benalla.
- **Community input sought for a review on speed limits around the health precinct.**
- Launch of a Benalla City Centre Mobility Map.
- Cr Barbara Alexander appointed Chair of the Benalla Landfill Development Strategy Project Steering Committee.



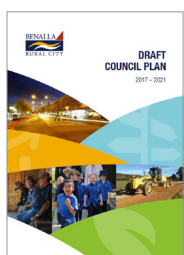
## April

- Good Friday changes to kerbside bin collection service.
- Community feedback invited on the Road Management Plan.
- Hello, Beautiful: A funny and personal evening with Hannie Rayson.
- New members welcomed for Council's Accessibility Reference Group.
- Launch of Live4Life.
- **More than 11,000 people visited the Brett Whiteley *West of the Divide* exhibition at the Benalla Art Gallery, which was one of the most visited exhibitions ever hosted at the Gallery.**



## May

- **Classic, veteran and vintage vehicles hit the road for Historic Winton.**
- Council reported favourable 9-month operating result and full year forecast.
- Council allocated funding to 51 local projects.
- We're Going on a Bear hunt performs at BPACC.
- A week to celebrate volunteers.



## June

- **Draft Council Plan ready for feedback.**
- Proposed 2017/18 Budget released to community for feedback.
- Bakersfield Mist performs at BPACC.
- A Quivering Brightness is on display at the Benalla Art Gallery.



# Financial Summary



Financial snapshot	2016/17 '000	2015/16 '000	2014/15 '000	2013/14 '000
Total Revenue	\$32,244	\$27,613	\$30,793	\$25,872
Total Expenses	\$29,714	\$27,402	\$32,646	\$26,339
Surplus (Deficit)	\$2,530	\$211	(\$1,853)	(\$467)
Working Capital	157%	120%	127%	122%
Total Assets	\$222,053	\$223,612	\$224,951	\$219,702
Net Assets	\$203,687	\$204,556	\$205,078	\$204,909
Rates and Charges	\$16,261	\$15,559	\$14,724	\$14,113
Rates/Adjusted Underlying Revenue	52%	59%	50%	72%
Indebtedness (Non Current Liabilities / Own sourced revenue)	57%	62%	62%	47%
Capital Projects	\$5,047	\$4,080	\$6,166	\$6,474







# About Benalla Rural City Council

## OUR MUNICIPALITY

**Population** 13,444

**Area** 235,059 hectares

**Townships** Benalla, Baddaginnie, Devenish, Goorambat, Swanpool, Thoona, Tatong, Winton

**Distance from Melbourne** 193 kms north east of Melbourne (an easy two-hour drive)

**Rateable properties** 7,792

**Number of Council employees** 125.5 (equivalent full time)

**Number of Councillors** 7

Benalla Rural City offers the best of both worlds – a relaxed, peaceful environment with all the perks of city living.

The municipality has world-class health services, excellent schools with small class sizes, and a wealth of lifestyle opportunities – theatre, sport, music, food, wine and culture.

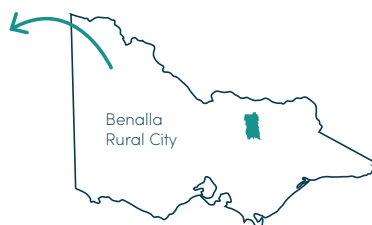
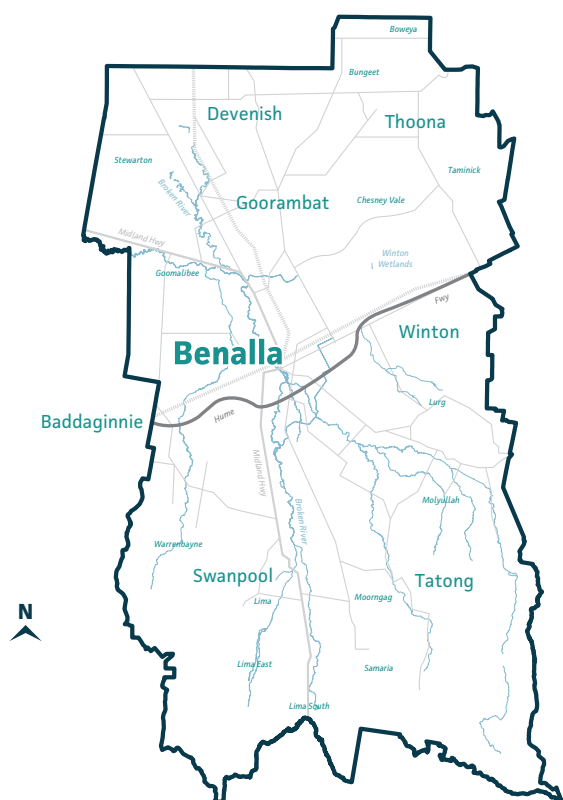
Our largest employing industries are manufacturing, retail, health and agriculture.

The largest employer is the manufacturing industry which includes Thales Australia, D & R Henderson Pty Ltd, Schneider Electric (Australia) Pty Ltd, and a wide variety of smaller manufacturing businesses. Other key employers include Benalla's diverse mix of retailers and the health services industry as our fastest growing employment sector. The agricultural industry is historically a significant contributor to the municipality's economy.

The Rural City has a diverse economic base with the main industries by employment being wholesale and retail trade (20%); manufacturing (19%); agriculture, forestry and fishing (12%); health, cultural and community services (10%); and education (8%).

The population of Benalla has been largely static for the last two decades. The city is home to the highest proportion of so called "Baby Boomers" (people aged between 48 and 67) in Victoria, who make up 40 per cent of the population.\*

With a small town heart and big town amenities, Benalla Rural City is also connected to the city of Melbourne through road and rail.



*\*Source: Australian Bureau of Statistics*

# Our Council

## Benalla Rural City Council

PO Box 227, Benalla VIC 3671

Customer Service Centre  
1 Bridge Street East, Benalla

Phone: (03) 5760 2600

Fax: (03) 5762 5537

council@benalla.vic.gov.au

www.benalla.vic.gov.au

## OUR VISION

A sustainable, thriving and cohesive community where lifestyle, culture, health and wellbeing are important.

## OUR VALUES

### Leadership

We will provide strong, caring and innovative leadership.

### Openness and honesty

We will act with integrity, transparency and truthfulness.

### Respect

We will respect the community, Councillors and Council staff.

### Fairness and equity

We will make decisions based on sound research and information, and participative decision making which meets the needs of the whole community.

### Accountability

We will act conscientiously to govern for the community of the Benalla Rural City, making plans and decisions based on sound evidence.

## YOUR ELECTED REPRESENTATIVES



Mayor

### Cr Don Firth

First elected: November 2008

Re-elected: October 2016



### Cr Barbara Alexander, AO

First elected: November 2008

Re-elected: October 2012 and October 2016



### Cr Danny Claridge

First elected: October 2016



### Cr Peter Davis

First elected: November 2005

Re-elected: November 2008, October 2012 and October 2016



### Cr Bernie Hearn

First elected: October 2016



### Cr Scott Upston

First elected: October 2016



### Cr Willie Van Wersch

First elected: October 2016







# Our Organisation

## Senior officers reporting directly to the CEO:



**Chief Executive Officer**  
Tony McIlroy

### Robert Barber

General Manager Corporate and Community

- Community Development
- Community Services
- Finance
- Governance
- People and Performance

### Veronica Schilling

General Manager Development and Environment

- Emergency Management
- Environment
- Facilities / Waste
- Infrastructure
- Development

### Jilian Mulally

Manager Arts Communications Tourism and Events

- Benalla Art Gallery
- Communications
- Events
- Sir Edward 'Weary' Dunlop Learning Centre (Benalla Library)
- Benalla Performing Arts and Convention Centre
- Tourism and the Visitor Information Centre



## OUR WORKFORCE

### VICTORIAN CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES

The Victorian Charter of Human Rights and Responsibilities Act 2006 protects the human rights of all people in Victoria. All public authorities and their employees are obliged to act compatibly with the Charter.

#### Employees by type and gender:

Employee type/gender	Number	EFT
Full-time – female	37	37
Full-time – male	46	46
Part-time – female	60	40.5
Part-time – male	9	2.8
Casual	9	2.6
Total	161	128.9

#### Employees by banding classification:

Employment classification	Female EFT	Male EFT	Total EFT
Band 1			
Band 2			
Band 3	12.9	12.1	25
Band 4	15.2	11	26.2
Band 5	16	7	23
Band 6	13.6	4.7	18.3
Band 7	10	4	14
Band 8	2	5	7
Band not applicable	7.8	5	12.8
Casual	1.7	0.9	2.6
<b>Total EFT</b>	<b>77.4</b>	<b>49.7</b>	<b>128.9</b>

## HEALTH AND SAFETY

Occupational Health and Safety (OH&S) reports are provided to the Leadership Team on a regular ongoing basis, highlighting incidents and trends. This allows for quick responses to issues emerging, through training, communication etc.

Development of close working relationships with key stakeholders such as team leaders, coordinators and managers allows for support and guidance to be provided to encourage safety in the workplace.

## PROFESSIONAL DEVELOPMENT

The organisation is committed to investing in the professional and personal development of our staff and has provided opportunities for staff to develop a successful career through:

- branch-specific training and skill development
- financial and study leave assistance towards recognised qualifications
- access to industry leading speakers and conferences.

## FAMILY VIOLENCE

The Council recognises that staff may need to take personal emergency leave for situations such as violence or abuse in their personal life that may affect their attendance or performance at work. Family violence is a serious issue in our society and the Council is committed to playing a supportive role to staff being subjected to this and any other personal emergency. Clause 45 of the Enterprise Agreement which came into effect in May 2016 allows for staff to access Personal Emergency Assistance (Family Violence).

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. Council has also committed to supporting the MAV Prevention of Family Violence Campaign, the Hume Region Courageous Conversations Charter and is a White Ribbon Day Supporter.





## OUR DEPARTMENTS

### DEVELOPMENT AND ENVIRONMENT

#### DEVELOPMENT

The Development Department primarily provides a broad range of development services to the residents and ratepayers of the municipality. It frequently provides services to prospective new residents and to developers.

It provides services for town planning, land use studies, environmental health matters, building services, domestic animal management, parking and enforcement of local and state legislation.

#### EMERGENCY MANAGEMENT

The Emergency Management department plans for emergencies, liaising with many government and non-government organisations. The department supports other staff with statutory responsibilities for resourcing emergency works, recovery from incidents and fire management activities.

#### ENVIRONMENT

The Environment Sustainability Unit provides advice and support to the Council and the community in relation to environment, sustainability and natural resource management.

### INFRASTRUCTURE DEPARTMENT

The Infrastructure Department delivers 3 key functions:

#### Operations

- Delivery of maintenance services under the *Road Management Act*.
- Timely responses to community requests and enquiries about the road drainage and pathway network.
- Coordination of staff and resources to respond to emergencies and natural disasters.

#### Asset Management

- Best practice Asset Management in order to provide levels of service in a cost effective and sustainable way.
- Maintenance of a register of Infrastructure Assets and condition reports.
- Geographic Information System management, including property numbering, property boundaries and maintenance.

#### Engineering

- Delivery of civil engineering reports that identify the Council and community developments.
- Delivery of the capital projects identified in the Council's Capital Projects Program.
- National Heavy Vehicle Regulator (NHVR) written consents.



### FACILITIES DEPARTMENT

The Facilities Department covers a broad range of functions which include:

#### Parks and Gardens

- Parks, gardens and open space maintenance including management of the Benalla Botanical Gardens.
- Urban and rural township street tree and streetscape maintenance.
- Management of flood mitigation vegetation clearance, urban electrical line clearance, and roadside and intersection slashing contracts.

### Facilities Management

- Programmed maintenance and inspection of all Council facilities.
- Management of the public facilities cleaning contract.
- Management of the Benalla Aquatic Centre contract, Benalla Airport and the Benalla Livestock Marketing Centre.
- Administration and project management of capital works relating to facilities.

### Recreation Facilities Management

- Management of recreation reserves including built assets and sports surfaces, committee governance and grant funding.
- Participation in Committees of Management for Churchill Recreation Reserve, Showgrounds Recreation Reserve, Benalla Gardens Oval Reserve, Racecourse Reserve Advisory, United Friendlies Reserve, Benalla Indoor Recreation Centre and Goorambat Recreation Reserve.

### Waste Management

The waste management unit plans and manages the Benalla Landfill Resource and Recovery Centre, the contract for kerbside waste collection services and strategic planning for waste disposal and resource recovery.



## CORPORATE AND COMMUNITY

### PEOPLE AND PERFORMANCE

The People and Performance Department provides a customer focused service to the community and the Council to enable the delivery of programs and services in a professional and timely manner. We also ensure a coordinated organisational approach to risk management and occupational health and safety.

### COMMUNITY DEVELOPMENT

The Community Development department works towards building confidence, resilience and a sense of belonging within the Benalla Rural City community.

The department focus is on enriching the community's general health and wellbeing through a wide range of programs and initiatives.

### COMMUNITY SERVICES

The Community Services Department provides services to children and their families, people of all ages with disabilities, and seniors living independently in their homes.

### Aged and Disability Services

The Aged and Disability Services contribute to the continued independence of the frail aged and younger people with disabilities and carers by providing support within the community and in the home environment.



The department works with other service providers to ensure seamless support to more than 600 clients, particularly with changes to the National Aged Care Reform.

Programs include:

- Home and Community Care Assessment Services
- Domestic Support
- Personal Care
- Respite Care
- Home Maintenance
- Home Modifications
- Food Services (Meals on Wheels)
- Social Support (Planned Activity Groups)
- Community Transport.

## **FAMILY AND CHILDREN'S SERVICES**

The program delivers services to promote health and well-being to families, focusing on prevention and the early detection of physical, emotional and social factors affecting children and their families.

Programs include:

- Maternal Child Health
- Enhanced Home Visiting Service
- Family Day Care (ceased February 2017)
- In-Home Family Day Care (ceased February 2017)
- Family Services
- Family Liaison.

## **FINANCE DEPARTMENT**

The Finance Department ensures the long-term financial sustainability of Council through informed and transparent financial decision making. The main functions of the department include:

- Financial Reporting and Planning
- Revenue Property and Valuations
- Procurement
- Accounts Payable
- Accounts Receivable.



## **ARTS, COMMUNICATIONS, TOURISM AND EVENTS**

The Arts, Communications, Tourism and Events department contributes to the liveability and community life within Benalla as well as delivering a social and economic return through providing services, events and facilities within the management of:

- the Benalla Art Gallery
- the Benalla Performing Arts and Convention Centre
- Communications
- Events
- Library Services
- Tourism.



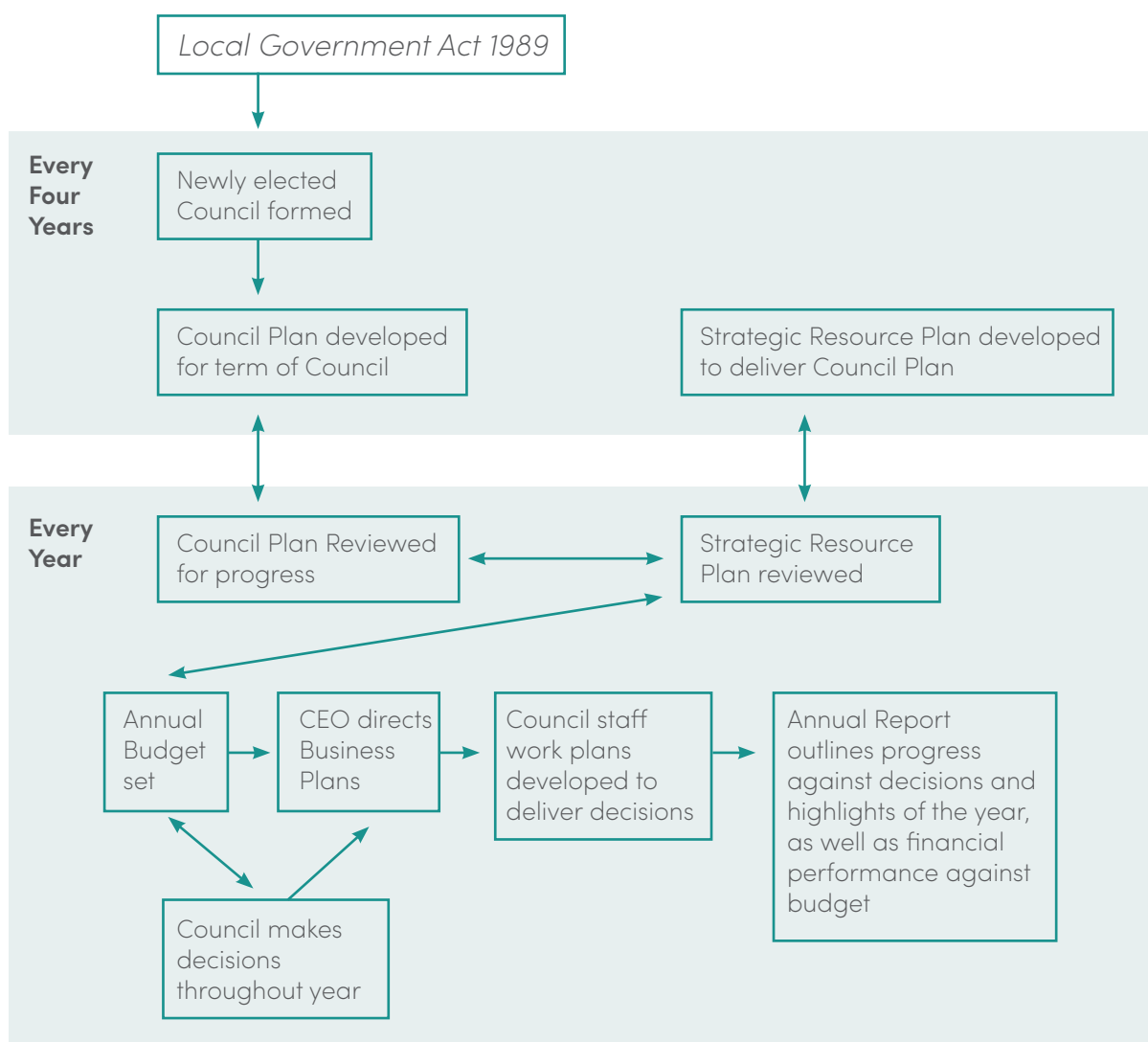
**It costs \$969 per kilometre to grade an unsealed road.**

# Our Performance

## HOW THE 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 the 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 following framework is how the Council determines the community's priorities and then ensures they are implemented as far as possible.





## STRATEGIC OBJECTIVES

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

### SERVICE PERFORMANCE INDICATORS

The following table indicates the performance against the prescribed services and any material variations.

Service/indicator/measure	2014 /15	2015 /16	2016 /17	Material Variation
<b>Aquatic Facilities</b>				
<b>Service standard</b>	4	4	4	
<i>Health inspections of aquatic facilities</i>				
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]				
<b>Health and Safety</b>	1	0	0	There were no reportable WorkSafe incidents in 2016/17.
<i>Reportable safety incidents at aquatic facilities</i>				
[Number of WorkSafe reportable aquatic facility safety incidents]				
<b>Service cost</b>	\$5.63	\$6.19	\$6.46	
<i>Cost of indoor aquatic facilities</i>				
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]				
<b>Service Cost</b>	\$5.63	\$6.19	\$6.46	
<i>Cost of outdoor aquatic facilities</i>				
[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]				
<b>Utilisation</b>	6	7	7	
<i>Utilisation of aquatic facilities</i>				
[Number of visits to aquatic facilities / Municipal population]				

Service/indicator/measure	2014 /15	2015 /16	2016 /17	Material Variation
<b>Animal Management</b>				
<b>Timeliness</b> <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	Not required	1 day	1 day	
<b>Service standard</b> <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected x100]	48%	44.42%	44.53%	This year has seen a reduction in animals being claimed. This is beyond the control of the Council. There has been no change in animal handling processes.
<b>Service cost</b> <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$55.94	\$56.58	\$90.52	The cost of the pound service contract has increased by approximately 400%. The Council has procured a new service for the disposal of animals. The majority of the work the Compliance staff carry out is related to management. This includes a 24 hour on-call after-hours service.
<b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	8	8	5	The Council prefers to achieve compliance through education, not prosecution. Animal prosecutions vary from year to year, depending on instances reported.
<b>Food Safety</b>				
<b>Timeliness</b> <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	Not required	1 day	1 day	



Service/indicator/measure	2014 /15	2015 /16	2016 /17	Material Variation
<b>Service standard</b> <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984 x100]	14.00%	59.17%	80%	Following an organisational review, staff time is now focused on inspecting Class 1 and Class 2 premises.
<b>Service cost</b> <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$760.98	\$576.40	\$533.28	The number of inspections increased in 2016/17.
<b>Health and safety</b> <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises x100]	100%	0%	0%	
<b>Governance</b>				
<b>Transparency</b> <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors x100]	15.82%	21.15%	11.11%	Deliberate effort to have less confidential decisions. Several agenda items that were classified as confidential are now heard in open meetings.

Service/indicator/measure	2014 /15	2015 /16	2016 /17	Material Variation
<b>Consultation and engagement</b> <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	52	45	53	Engagement strategies reviewed and refined following the 2016 Community Satisfaction Survey. Future survey results to be monitored to confirm that improvement is permanent and not a one off.
<b>Attendance</b> <i>Councillor attendance at council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election) x100]	88.89%	83.46%	100%	The definition used by Benalla Rural City Council for this indicator has changed since the 2015/16 reporting period. Councillors who obtain a leave of absence are no longer classified as absent.
<b>Service cost</b> <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$39,868.00	\$40,275.71	\$25,589.08	Benalla Rural City Council has changed the calculation for this indicator. Previously, the cost of some of the support staff was used in the calculation. In 2016/17, these costs were excluded.
<b>Satisfaction</b> <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	51	44	51	Community satisfaction with Council decisions increased in the 2016/17 year due largely to the election of a new Council. Council continues to improve its ranking against the State average and the average for small rural Councils.
<b>Libraries</b>				
<b>Utilisation</b> <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	2.90	3.18	3.02	
<b>Resource standard</b> <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items x100]	54.59%	48.67%	49.31%	



Service/indicator/measure	2014 /15	2015 /16	2016 /17	Material Variation
<b>Service cost</b>	\$5.32	\$5.09	\$5.03	
<i>Cost of library service</i>				
[Direct cost of the library service / Number of visits]				
<b>Participation</b>	24.17%	18.96%	18.54%	
<i>Active library members</i>				
[Number of active library members / Municipal population x100]				
<b>Maternal and Child Health (MCH)</b>				
<b>Satisfaction</b>	101.59%	105.74%	103.23%	
<i>Participation in first MCH home visit</i>				
[Number of first MCH home visits / Number of birth notifications received x100]				
<b>Service standard</b>	90.00%	100%	101.61%	
<i>Infant enrolments in the MCH service</i>				
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received x100]				
<b>Service cost</b>	Not required	\$87.19	\$82.43	
<i>Cost of the MCH service</i>				
[Cost of the MCH service / Hours worked by MCH nurses]				
<b>Participation</b>	82.00%	83.89%	79.55%	
<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]				
<b>Participation</b>	85%	89.19%	87.76%	
<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]				

Service/indicator/measure	2014 /15	2015 /16	2016 /17	Material Variation
<b>Roads</b>				
<b>Satisfaction of use</b> <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads x100]	16.33	10.45	48.51	The rise in the number of requests can be contributed to improved management and tracking of requests, together with increased requests following extended wet weather impacting the road network.
<b>Condition</b> <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads x100]	97.85%	97.84%	95.68%	
<b>Service cost</b> <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	0	0	0	No local road reconstruction was undertaken.
<b>Service Cost</b> <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.55	\$3.61	\$4.40	The fluctuation cost of local road resealing from year to year can be attributed to the fluctuating price of oil.
<b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	52	51	49	
<b>Statutory Planning</b>				
<b>Timeliness</b> <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	24 days	30 days	21 days	A reduction in complex applications and an agreement with Goulburn Broken Catchment Management Authority to not refer minor applicants, has meant a reduction in referral timelines.



Service/indicator/measure	2014 /15	2015 /16	2016 /17	Material Variation
<b>Service standard</b> <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made x100]	93.96%	95.14%	95.65%	
<b>Service cost</b> <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$2,882.47	\$2,971.10	\$1,594.02	VCAT appeals were scheduled after the end of the financial year and there was a vacancy in the Planning Unit. This position has now been made redundant.
<b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications x100]	There were no decisions taken to VCAT.	100%	100%	
<b>Waste Collection</b>				
<b>Satisfaction</b> <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households x1000]	46.93	144.68	127.24	The data varies from year to year, as it includes requests for weekly special needs general waste collection in the Benalla urban area, which is collected fortnightly. Special requests are reviewed on an annual basis, however new requests can be made by residents at any time.
<b>Service standard</b> <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts x10,000]	2.06	1.57	5.99	These figures have increased as the Council has improved the way the 'missed bin' requests are recorded both internally and also with the contractor.

Service/indicator/measure	2014 /15	2015 /16	2016 /17	Material Variation
<b>Service cost</b> <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$110.86	\$81.60	\$58.14	This cost has decreased as the Council has improved the calculation of this data to only consider the direct cost of providing a kerbside general waste service. This cost now excludes public bins and organics collection.
<b>Service cost</b> <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$84.67	\$63.56	\$46.48	This cost has decreased as the Council has improved the calculation of this data to only consider the direct cost of providing a kerbside general waste service. This cost now excludes public bins and organics collection.
<b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins x100]	31.81%	59.68%	62.15%	

# Our 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 2016/17 Budget.**

Initiatives	Comment
Implement the development of expanded and modern library and community resource services and facilities with the establishment of the Sir Edward 'Weary' Dunlop Learning Centre.	<p>Transition from the High Country Library Corporation to Council completed in August.</p> <p>Installation of new furniture and shelving completed.</p>
Identify opportunities and implement initiatives to develop community strength, capacity, independence and resilience.	<p>Live4Life youth mental health initiative instigated.</p> <p>Recovery work after the Lake Rowan and Stewarton fires in December 2014 recognised with the Rural Fire Tales DVD winning a Fire Awareness Award – refer to case study page 49.</p> <p>Benalla Rural City successful in securing \$100,000 funding from the State Government for an Age Friendly Community partnership project.</p> <p>Rural Outreach Worker continues to provide social support, particularly rural families, across Benalla Rural City.</p>
Implement the <i>Benalla Rural City Youth Strategy</i> to ensure a whole of Council and community approach to youth related issues.	<p>The Benalla Youth Service Providers Network continues to implement the strategy with a focus on issues impacting youth mental health.</p> <p>Collaborated with local GP practice managers and High Water Theatre to develop a more youth friendly booking system for doctors' appointments.</p> <p>Commencement of youth suicide prevention program Live4Life.</p> <p>Partnered with Highwater Theatre and Somebody's Daughter Theatre companies to raise awareness about the complex issues causing poor mental health for our young people.</p> <p>Ongoing implementation to the L2P learner driver program and FReeZA initiatives.</p>



Initiatives	Comment
Establish a Council Youth Advisory Committee.	Youth Action Committee established. YAC coordinates a youth 'pop up' sessions at the Benalla Drill Hall and Community Activity Centre.
Implement a Positive Ageing Strategy that emphasises the contribution of people, places and participation to building and sustaining a positive approach to ageing in our community.	Successful Seniors Festival held in October. Community Support Register launched. Ongoing liaison with Regional Assessment Coordinator in relation to aged care issues.

**The following statement reviews the performance of the Council against strategic indicators in the Council Plan 2013–2017 (2016 Review).**

Strategic Indicator / Measure	Target	Result	Comment
Community satisfaction rating for our performance in providing youth services and activities.	65	51	
Community satisfaction rating for our performance in providing elderly support services.	71≥	69	
Community satisfaction rating for our performance in providing family support services.	65≥	67	
Community satisfaction rating for our performance in providing community and cultural activities.	63≥	68	
Community satisfaction rating for our performance in providing art centres.	59≥	77	
Community satisfaction rating for our performance in providing libraries.	59≥	82	
Community satisfaction rating for our performance in community development activities.	65	58	
Community satisfaction rating for our performance in emergency and disaster management.	60≥	71	
Installation of a digital projector at the Benalla Performing Arts and Convention Centre Cinema.	Installed	Installed	

Strategic Indicator / Measure	Target	Result	Comment
Pilot at least one initiative a year that increases access to education, training and employment opportunities for young people.	1	2	Supported the Benalla Careers Day by designing and delivering information on careers in local government.  Completion of an Arts Ready traineeship, an 18-month placement which saw one local young person gain valuable experience and accreditation.  Supported the Tommorrow:Today Foundation's University familiarisation tours.
Conduct biannual youth forum.	2	0	Youth mental health forums replaced by Live4Life youth mental health initiative.
% of infants fully breastfed at three months.	45%≥	50%	
% who help out as a volunteer.	28%≥	28.5%	
% of year 9 students who attain national minimum standards in reading, writing and numeracy.	90%≥	Literacy: 95.9% Numeracy: 97.5%	
% of children fully immunised at 24-27 months.	86%≥	96.6%	
% of persons overweight or obese.	54%≤	54.9%	
% of persons who do not meet fruit and vegetable dietary guidelines.	45%≤	50.8%	
% of persons reporting a high/very high degree of psychological distress.	10%≤	13.7%	
% of persons who do not meet physical activity guidelines.	28%≤	60.5%	Significant issue for BRCC, however, State measure is 54%.

The following statement reviews the performance of the Council against services funded in 2016/17 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure (Revenue)
		Net Cost \$'000
Arts and Events	Includes Benalla Festival and Benalla Library operations which provides library services to Benalla Rural City residents in partnership with the High Country Library Corporation.	588 (25) 553
Benalla Art Gallery	The Benalla Art Gallery is a Council owned and operated facility providing cultural and tourism benefits to the Rural City.	478 (180) 304
Benalla Performing Arts and Convention Centre	Management and Operation of the Benalla Performing Arts and Convention Centre (BPACC).	713 (445) 268
Community Development	Coordinates and supports community planning and development activities. Engages with young people and partners with service providers.	490 (86) 404
Community Services	Delivers a range of services to enhance independence, dignity, connectedness, health and wellbeing. The services provided are available to residents of all ages, cultures and socio-economic backgrounds.  Aged and Disability Services: <ul style="list-style-type: none"> <li>• Food Services</li> <li>• Home and Community Care Assessment Services</li> <li>• Homecare</li> <li>• Planned Activity Groups</li> <li>• Volunteer Transport</li> <li>• Family and Children Services:</li> <li>• Enhanced Home Visiting</li> <li>• Family Day Care</li> <li>• Family Services</li> <li>• In-Home Family Day Care</li> <li>• Maternal and Child Health.</li> </ul>	3,434 (2,760) 674





## ARTS AND CULTURE

### EVENTS

The Benalla Art Gallery, BPACC and events including the Benalla Festival and Australia Day celebrations continued to provide opportunities for all people to connect and engage through community activities and functions.

The diversity of the offerings for the community as observers, participants, artists and event organisers brought social and economic benefit.

Benalla hosted major events including the 34th World Gliding Championships, the third Wall to Wall Festival and the Stage 3 of the Jayco Herald Sun Tour.

### SIR EDWARD 'WEARY' DUNLOP LEARNING CENTRE

The Council assumed operational responsibility for the Sir Edward Weary Dunlop Learning Centre under shared services arrangement with Wangaratta, Alpine and Mansfield Councils in August 2016.

The operation of the Sir Edward Weary Dunlop Learning Centre was prepared for transition to Council operation. Central to this transfer was the developing of a Community Programs and Education Officer role which will provide new and different opportunities for all people to engage with the Learning Centre as a community hub.

### BENALLA PERFORMING ARTS AND CONVENTION CENTRE

In November 2017, the Benalla Performing Arts and Convention Centre Board of Management conducted a BPACC service review asking the community what their priorities are for BPACC.

More than 850 people responded.

From this, the BPACC Strategic Plan 2017 – 2021 was developed and adopted by the Council in November 2016.

### BENALLA ART GALLERY

More than 11,000 people visited the Brett Whiteley, *West of the Divide* exhibition at the Benalla Art Gallery, which was opened by Wendy Whiteley on 11 February 2017. It is one of the most visited exhibitions ever hosted at the Gallery.

### COMMUNICATIONS - SOCIAL MEDIA

In August 2016, the Council launched its corporate Facebook page. In September 2016, a single post relating to flooding reached more than 18,000 people.

In October 2016, the Council redesigned the official Benalla tourism website [www.enjoybenalla.com.au](http://www.enjoybenalla.com.au) and Facebook page, which, from October to December 2016, saw a 290% increase in traffic from the same period the previous year.

## PROMOTING A HEALTHY COMMUNITY

### AGED AND DISABILITY SERVICES

The transition to Commonwealth Home Care Programme and the My Aged Care (MAC) Portal from 1 August 2016 included the separation of business in the Aged and Disability Services (between Assessment and Service Delivery).

- Commonwealth Home Support Programme (CHSP) is a direct service delivery for people aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islanders) providing domestic support, personal care, respite care, social support, food services, home maintenance and transport.
- Home and Community Care-Program for Younger People (PYP) is a direct service delivery for people under the age of 65 with a disability or chronic illness.
- Regional Assessment Service (RAS) is the assessment function for clients to access basic support services.



Assessment	1,146 hrs
Food Services (meals)	10,086 meals
Domestic Assistance	6,774 hrs
Personal Care	2,294 hours
Respite Care	1,080 hrs
Home Maintenance	229 hours
Planned Activity Core	381
Planned Activity High	2,947
Social Support Individual (shopping assist)	536
Social Support Group	8,558
Home Modifications	166

## SENIORS FESTIVAL

The Seniors Festival was held from 29 September to 24 October 2016. Free and low-cost events and activities were held including activities in partnership with local organisations:

- Tea Dance with Alzheimer's Australia Vic
- De-clutter workshop
- Stephanie Alexander Garden – Benalla P-12 College
- Benalla Walking Club
- Swanpool Cinema
- Big, Blonde and Beautiful – Benalla Performing Arts and Convention Centre
- The Seekers Story – Wangaratta Performing Art Centre
- Concert Local performers Mockingbirds
- Scenic Drive to Kevington Hotel – Benalla Bus Lines
- Sharing Memories – Benalla Library and Benalla P-12 College
- Scooter Safety afternoon – Cooinda Village
- Day at the races – Benalla Racing Club

## FAMILY AND CHILDREN'S SERVICES

Maternal and Child Health	
Birth notifications	126
Children entering municipality	34
Children leaving municipality	65
Enhanced MCH (families)	28
Enhanced MCH (hours)	363
Family Services (hours)	3,653 hours with 69 families supported

## FAMILY SERVICES

Family Services underwent an external audit in January 2016 and were successful in obtaining reaccreditation for three years.

The Department of Health and Human Services (DHHS) funded the services of an additional child psychologist, supporting the increased service need and to reduce long waiting lists at Benalla Community Health.

Family Services received additional ongoing funding which increased annual targets from 1,970 hours to 2,990 hours (a 52 per cent increase).



## TRANSFER OF SERVICES

The Council transferred the delivery of Family Day Care and In-Home Family Care to industry operators in February 2017.

The Council's Family Day Care program was transferred to the Greater Hume Shire.

The operation of the In-Home Family Care program was transferred to Family Friend, based in Lavington, NSW, and providing services across NSW and Victoria.

Both programs were funded through the Federal Government's Community Support Program, but with program funding up for review, the Council transferred these services to ensure they could be delivered well into the future.

Larger operators like Greater Hume Shire and Family Friend are able to attract the required educators.

## VOLUNTEERS – THE HEART OF OUR COMMUNITY

Volunteers play an integral role in making Benalla a better place to live, with approximately 400 volunteers who undertake a diverse range of tasks across the community.

Volunteers assist with programs and services across many Council departments.

During the past year, volunteers collectively donated more than 19,000 hours across all Council programs and services.

A Volunteer Development Coordinator was appointed in August 2016 and the Council commenced a process of continuous improvement for volunteer management aimed at ensuring best practice and contemporary management standards were identified and implemented as appropriate.

Recognition activities held for Council volunteers during National Volunteer Week were attended by more than 200 volunteers.

The Benalla Volunteer Recognition function in May followed on from the National Volunteer Week and affirmed the Council's commitment to the national recognition of all volunteers.



Conducted **88** Food Safety Inspections.

### Volunteer highlights:

- Adoption of a Volunteer Policy outlining best practice in line with the Australian Volunteer Standards.
- Creation of an email network for distribution of volunteering news.
- Distribution of a Volunteering Connection newsletter.
- Volunteering briefing included as part of Councillor Induction.
- Formation of an internal Volunteer Development Working Group.
- Recognition event for the 16th anniversary of the Litter Gatherers Program.
- Recognition activities held for Council volunteers during National Volunteer Week attended by more than 200 volunteers.
- Volunteer Management (legal issues workshop) attended by 30 members of community and 14 Council staff.
- Roll out of standardised volunteer management processes resulted in increased consistency in paperwork and induction processes.





# 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 2016/17 Budget.**

Initiatives	Comment
Facilitate appropriate land use development and protection of environmental values through planning processes, particularly the <i>Benalla Planning Scheme</i> .	<p>Planning permits issued in accordance with Benalla Planning Scheme and reporting to Planning Permit Activity Unit.</p> <p>Amendments underway for several projects across the municipality.</p>
Maintain, enhance and promote Council facilities and open space areas to enable maximum community use, benefit and enjoyment and to meet safety standards.	<p>Regular inspections of Council facilities form an integral part of the Facilities Coordinator and Manager Facilities roles. Maintenance works are all tracked through the Customer Request Management System and the back log of works is being progressed through. Major tasks are actively referred to Capital Projects Plan where they exceed the maintenance budget and it is pleasing to see these projects filter through to the budget.</p>
Develop a recreation and open space strategy to identify priority future developments across our Rural City.	<p>This action has been addressed through the development and ongoing implementation of the Recreation Strategic Plan (RSP). The RSP is continually referred to in the normal course of business and activities relating to the RSP are reported in the Facilities Department Quarterly Report.</p>
Develop and implement a strategy for the management of street trees.	<p>This initiative has not progressed beyond a review of current policy and practice approach.</p> <p>Review and update of urban tree management plan included as an initiative in the <i>Council Plan 2017-2021</i>.</p>

The following statement reviews the performance of the Council against strategic indicators in the Council Plan 2013–2017 (2016 Review).

Strategic Indicator / Measure	Target	Result	Comment
Community satisfaction rating for our performance in relation to the condition of local streets and footpaths.	47≥	48	
Community satisfaction rating for our performance in providing recreational facilities.	65≥	65	
Community satisfaction rating for our performance in the appearance of public areas.	72≥	73	
Community satisfaction rating for our performance in town planning policy and approvals.	47≥	51	
% who believe there are good facilities and services.	86%≥	NA	Not measured in 2015 Victorian Population Health Survey.
Proportion of planning permit applications processed within 60-day statutory requirement.	90%	95.65%	

The following statement reviews the performance of the Council against the services funded in the 2016/17 Budget.

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Facilities	Responsible for the management and maintenance of the Council's properties, open spaces, reserves and buildings.	3,735 (1,525) 2,210
Development	Land use Planning Services to manage development in accordance with the Benalla Planning Scheme and the <i>Planning and Environmental Act</i> .  Municipal Building Surveyor Services to meet statutory obligations in accordance with the <i>Local Government Act</i> and Building Regulations.  Coordination of Council's statutory obligations in relation to the <i>Domestic and Feral and Nuisance Animal Act</i> , Road Regulations, <i>Environmental and Protection Act</i> , <i>Country Fire Authority Act</i> .  Provision of professional and Environmental Health Services to meet Council's statutory obligations with respect to the <i>Health Act</i> and <i>Environmental Protection Act</i> .	1,467 (595) 872

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Infrastructure	<p>Responsible for the Council's Asset Management requirements including its Road Management Plan.</p> <p>Maintains the Geographical Information Systems which provide computer-based mapping and aerial photography.</p> <p>Implementation of major and minor works project management, supervision and delivery.</p> <p>Management and strategic implementation of maintenance and repair activities:</p> <ul style="list-style-type: none"> <li>• urban roads, drains and footpaths</li> <li>• rural roads, drains and bridges</li> <li>• signage, street sweeping</li> <li>• minor construction works</li> <li>• asset inspection programs</li> <li>• plant.</li> </ul>	<p>7,212</p> <p>(4,889)</p> <p>2,323</p>

The Council replaced approximately **64m<sup>2</sup>** of concrete footpaths.

The Council grades on average of **531 kilometres** unsealed roads per year depending on weather and road conditions.





## BRIDGE UPGRADE WORKS

Several bridge projects were completed, including repairing Tatong Moorngag Road, Tatong, Williams Road, Lima South and replacing the bridge at Watchbox Creek Bridge, Molyullah, and replacing the wooden bridge at Webbs Road, Goomalibee.



### The Council's Capital Works Program 2016/17 included the following works:

#### Shoulder re-sheeting

Approximate value – \$220,000

Roads include:

- Bungeet Road
- Sayers Road
- Swanpool Road
- Trewin Road

#### Gravel road re-sheeting

Approximate value – \$270,000

Roads include:

- Arnott Road
- Hayes Road
- Hunter Lane
- Moylan Road
- Peck Road
- Glenrowan Boweya Road

#### Asphalt regulation and stabilisation

Approximate value – \$400,000

Roads include:

- Saleyards Road
- Carrier Street
- Coish Avenue
- Glenrowan Boweya Road
- Bourke Drive
- Evan James Drive
- Winton Glenrowan Road

#### Road re-sealing

Approximate value – \$450,000

Roads include:

- Cowan Street
- Glenrowan Boweya Road
- Goorambat Dookie College Road
- Goorambat Thoona Road
- Olivers Road
- Roe Street
- Sharpe Road
- Church Street

#### Culverts

Approximate value – \$50,000

- Webbs Road



### Road projects in 2016/17:

- 499.55km of unsealed roads and 106.9km of sealed road shoulders graded
- Replaced 18 lineal meters of kerb and channel works in Perth Street, Benalla
- Replaced 64m<sup>2</sup> of concrete footpaths to reduce trip hazards, including Clarke Street and Bridge Street
- Completed 60 percent of work on Stage 1 and 2 of the Devenish drainage upgrade
- Completed gravel road re-sheeting of 13.86km of the unsealed road network
- Completed 16.32km of road network resealing with funding of \$75 000 from the State Government.

### BENALLA LANDFILL

The Council completed a review of the Benalla Landfill as a possible regional waste facility, working through the costs and benefits of a shared service approach.

The project included input from the 11 other Councils in the Hume region.

### BENALLA AIRPORT

The Council completed significant improvements to the Benalla Airport site including the provision of a new fuel facility to support broader aviation activity, increased security, safety signage and site preparations to host the World Gliding Championships in January 2017.

## WORKING WITH LOCAL BUILDERS

The Building Unit administers and enforces the *Building Act* and Building Regulations, as well as providing a building permit service to the community.

The Building Unit has a responsibility to ensure that all types of structures are constructed and occupied within recognised standards, to follow up illegal building works or dangerous structures and take appropriate action.

The Building Unit works closely with local builders to strengthen the process of building permits.

The Building Unit has a proactive approach to swimming pool safety and conducts year round audits to ensure that swimming pool safety barriers are compliant.

The Building Unit has a new Memorandum of Understanding with the Rural City of Wangaratta to provide a Municipal Building Surveyor to support the Building Unit.

This shared service approach saves the Council more than \$50,000 per year.

There has been an increase in the number of reported stormwater complaints which were then referred to the relevant building certifier for each site.

The Building Unit carried out:

- 15 Report and Consents
- 8 Places Of Public Entertainment Structures
- 189 Building Permits
- 30 Building Notices and Orders
- 565 building inspections
- 1 prosecution related to illegal building works.

## PLANNING PERMITS

The planning unit continues to process planning applications at an efficient rate with 96% of planning application being decided within the required 60 statutory days. The state average is approximately 62%.

The median number of days it takes to process an application is 21. The state average is approximately 83 days.



## AMENDMENTS

The planning unit has been working together with the development industry in processing amendments to rezone and subdivide land for residential development.

This includes the rezoning of land from Farming to General Residential in Four Mile Road and rezoning of land from Industrial 1 to General Residential on the corner of Coster Street and Samaria Road, Benalla.

## LOCAL LAW REVIEWED

The Benalla Rural City Local Laws 2009 was put out for review and the statutory process for writing and adopting the Community Local Law 2017 commenced.

The Domestic Animal Management Plan 2017 – 2021 commenced.

## NATIONAL DISASTER FINANCIAL ASSISTANCE (NDFA)

The Council completed the National Disaster Financial Assistance (NDFA) claim for flood damage works in Thoona, Boweya, Warrenbayne, Lurg, Swanpool and Lima resulting from the September and October 2016 storms.

## ROAD GRADER REPLACEMENT

The Council took delivery of a replacement Komatsu road grader in December 2016 under its plant replacement program.

The grader it replaced was 14 years-old and had clocked up more than 15,900 hours of service.

The normal life expectancy of a grader is 10 – 12 years.

## FREIGHT ROUTES

Identified and mapped freight routes in accordance with the guidelines for the Municipal Association of Victoria and Local Roads of Regional Significance for freight on the local roads network.



**More than 3500 animal registrations** were sent out to domestic animal owners.

## ENFORCEMENT

Enforcement of the Benalla Planning Scheme is ongoing. There have been four matters pending an outcome at the Victorian Civil and Administrative Tribunal with a number of breaches to the Benalla Planning Scheme under ongoing investigation.

### Other highlights:

Council supported the Benalla Showgrounds to ready its site for RV camping – bringing tourists into the town for short stays.

In a partnership project with the Regent Honeyeater program and the community, Council planted more than 9,000 trees and shrubs along the Hollands Biolink channel.





# Our 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 initiatives identified in the 2016/17 Budget.**

Major Initiative	Comment
Prepare a Benalla Art Gallery Master Plan.	Master Plan completed. External funding opportunities continue to be investigated.
Develop a strategy to retain, support, promote and grow our local businesses, attract new businesses, and support industry innovation and diversification.	<p><i>Benalla Business and Tourism Growth Strategy</i> continued to be implemented.</p> <p><i>Benalla Beckons</i> prospectus used to promote Benalla Rural City as a business and lifestyle destination.</p>
Support, promote and participate in local, regional and state-wide tourism and population attraction initiatives.	Surveys for Economic Impact Study finish in July 2017. Economic Impact study to be conducted on 2017 Wall to Wall Festival.
Establish a long-term strategic approach for the ongoing development of Enterprise Park and the Benalla Airport.	<p>Findings of the Feasibility Study on further development of Enterprise Park was presented to the Council in March 2015.</p> <p>The Benalla Airport Master Plan, adopted by the Council in February 2015, continues to be implemented. Australian Government funding of \$715,000 and \$500,000 of Victorian Government funding obtained to assist in the plan's implementation.</p>
Develop the tourism potential of our iconic community-owned assets, including the Benalla Art Gallery, Benalla Botanical Gardens and Lake Benalla.	Development of a Tourism and Events Strategy has started.

The following statement reviews the performance of the Council against strategic indicators in the Council Plan 2013–2017 (2016 Review).

Strategic Indicator / Measure	Target	Result	Comment
Community satisfaction rating for our performance in relation to economic (business) development.	54≥	48	
Community satisfaction rating for our performance in relation to tourism promotion and support.	54≥	58	
Businesses listed on the North East Tourism Digital Platform.	34	27	
Opportunities for business owners to participate in employment and training programs.	30 participants per year	30	19 seminars, 10 networking events, and two Small Business Bus visits were held in 2016/17.
Participation in events to promote Benalla Rural City outside the region.	At least two per year	1	Resources were allocated to Melbourne (Federation Square) for an event in November 2016 to promote the World Gliding Championships.

The following statement provides information in relation to the services funded in the 2016/17 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Economic Development and Tourism	Develops and implements initiatives that strengthen and develop Benalla Rural City's business and tourism sectors.	688
	Partners with key stakeholders including the Benalla Business Network, North East Tourism and government departments.	(35)
		653

Benalla hosted major events including the 34th World Gliding Championships, the third Wall to Wall Festival and the Stage 3 of the Jayco Herald Sun Tour.

## WORLD GLIDING CHAMPIONSHIPS

The 34th FAI World Gliding Championships were held in Benalla from January 8 to 22, 2017, and saw more than 600 international visitors descend on Benalla.

The event was hosted by the Gliding Club of Victoria and organised by the Gliding Federation of Australia.

The Enjoy Benalla marquee was located at the Gliding Club from the 8th – 21st January 2017. A total of 586 visitors were attended to whilst being stationed at this event.

Although the marquee was set up to assist with visitor servicing, the marquee was also a great place to sell visitor merchandise.

## BOOST TO THE ECONOMY

- More than 550 guests booked accommodation in Benalla within 10 km of the airport.
- This equates to more than \$250 000 in accommodation alone.
- The potential economic benefit to Benalla is likely to be more than \$1 million into the local economy.







## WALL TO WALL FESTIVAL



The Wall to Wall Festival ran for its third year in 2017, resulting in 27 new art installations.

The Council supported the festival financially with \$15,000 funding, working with the Street Art Festival committee to engage local and national media, and coordinating business engagement.

In October 2016, the Council redesigned the official Benalla tourism website [www.enjoybenalla.com.au](http://www.enjoybenalla.com.au) and Facebook page, which, from October to December 2016 saw a 290% increase in traffic from the same period the previous year.







# Our Natural 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 initiatives identified in the 2016/17 Budget.**

Initiatives	Comment
Involve and inform the community on environmental issues, strategies and opportunities for reducing our environmental impact.	<p>Partnered Benalla Sustainable Future Group to develop grant proposal under the New Energy Jobs Fund.</p> <p>As part of Goulburn Broken Greenhouse Alliance a feasibility study for including electric vehicles in regional councils' vehicle fleet was undertaken and Collaborative Climate Change Reporting Project delivered.</p> <p>Completion of the RecLess: Less Water, Less often, More Resilient Open Spaces project, including the installation of demonstration garden beds in Bridge Street, Benalla.</p>
Increase the recovery of resources, minimise waste disposal to landfill and promote opportunities for new waste management facilities.	<p>Implemented separation of public and large vehicles when disposing of waste.</p> <p>Partner to regional mulching contact for garden and tree waste at reduced cost.</p> <p>Participated in regional campaign encouraging people to "Sort and Save".</p> <p>Development of business case for the Benalla Landfill and Resource Recovery Centre to become a regional landfill.</p> <p>Active representation in the Regional Waste and Resource Recovery plan.</p>
Review, adopt and implement the <i>Roadside Vegetation Management Plan</i> taking into account conservation values and public safety expectations.	<p>2016/17 program focused on higher conservation roadsides. Species treated included blackberry, St John's wort, Chilean needle grass, African love grass, gorse and broom horehound.</p>

The following statement reviews the performance of the Council against strategic indicators in the Council Plan 2013–2017 (2016 Review).

Strategic Indicator / Measure	Target	Result	Comment
Community satisfaction rating for our performance in waste management.	67≥	62	
Community satisfaction rating for our performance in environmental sustainability.	56≥	59	
Proportion of collected household waste recycled versus landfill.	50%	62.15%	

The following statement reviews the services funded in 2016/17 Budget and the persons or sections of the community who are provided the service.

Description of activities	Service Category	Net Cost Actual (Budget) Variance \$'000
Includes waste collection, recycling programs, EPA licenced landfill operation and waste minimisation programs in accordance with state and regional plans and policies.	Development & Environment	5,015
Area also includes sustainability and environment activities: climate change, roadside vegetation, energy and water conservation; and water quality.		(4,355)
Operating result is offset by required capital expenditure.		660

## RESPONSE AND RECOVERY

Following an exceptionally wet autumn and winter in 2016, widespread flooding occurred across the municipality.

The Council coordinated the emergency management and response and recovery to this event with timely and effective warnings on the flood impact to the community and coordination of municipal resources to assist emergency services including Vic SES and Victoria Police.

Following the flood event, the impact was assessed to ensure that Council was able to reduce expenses to ratepayers and access State funding for restoration of roads and other essential assets.

## NEIGHBOURHOOD SAFER PLACE

The Council worked with the local community and was successful in applying for a Neighbourhood Safer Place (NSP) at the Tatong Community Hub located at the Recreation Reserve. The NSP are places of last resort when all other bushfire plans have failed.

## EMERGENCY EXERCISES

The Council coordinated emergency exercises focused on ensuring readiness to respond to emergencies.

- Operation 'Blue Sky' was an emergency exercise which looked at the impact of a glider incident at the Benalla Aerodrome.
- Operation 'Shelter' was an emergency exercise based on a major flood which led to the evacuation of the Benalla township.

These exercises were well supported by emergency service agencies and the community relief and recovery sector.





## NETWORKING FOR THE ENVIRONMENT

The Council is represented on the following networks to collaborate in funding opportunities, share information and resources:

- North East Local Government Environment Network
- Goulburn Broken Greenhouse Alliance
- Goulburn Broken Local Government Biodiversity Reference Group
- Land and Biodiversity Implementation Forum
- Goulburn Broken Water Quality Coordination Group
- Benalla Sustainable Future Group

The Council has been involved in three projects across the region which provided information and tools to allow the community to better adapt to the impacts of climate change. These projects were completed by the end of 2016:

- Climate Smart Agricultural Development in the Goulburn Broken catchment (maximise productivity as climate changes occur).
- Resilient Community Facilities (identify upgrades and improvements to Council's maintenance schedule / future capital works programs. As a result, the lighting at the Benalla Indoor Recreation Centre was upgraded to energy efficient alternatives).
- Rec-Less (using less water less often in public recreational spaces).

## ROADSIDE WEEDS AND PESTS PROGRAM

Implementation of the Roadside Weed and Pest Plan continued for the fifth year under the state-funded program with extensive weed treatment and associated mapping completed.

The 2016/17 treatment program focused on high conservation roadsides and consolidation of previous treatment.

Gorse was a focus in the Lima area under a state compliance program, with 919m of roadside infestations treated.

As in previous years, the most abundant weeds treated were Blackberry, Sweet Briar, Prairie Ground Cherry, Pattersons Curse, St Johns Wart and Chilean Needle Grass.

## BENALLA RENEWABLE ENERGY FORUM

Council is working with the Renewable Energy Benalla Action Group (REB) to improve household energy efficiency and increase the uptake of local renewable energy.

The Council assisted with the submission of an application to the New Energy Jobs Fund for the development of a feasibility study and a future energy plan for Benalla which will include community-owned renewable energy options.

## ENVIRONMENT STRATEGY 2016 – 2020

The *Environment Strategy 2016–2020* was adopted in August 2016.

The strategy outlines a proactive and strategic approach to environmental matters and identifies priorities for management.





# Community Engagement

We will actively and openly communicate and engage with our community and work collaboratively with others through strategic partnerships and relationships.

**The following statement reviews the performance of the Council against the major initiatives identified in the 2015/16 budget.**

Major Initiative	Comment
Continue to improve the effectiveness of our engagement with the whole community, including young people, in our decision-making process.	Communications Review undertaken in October 2016 resulted in the introduction of regularly mailed out community newsletter.
Facilitate the development of a long-term Community Plan to identify common community values, aspirations and priorities for the future, and integrate into our business planning framework.	Benalla Rural City Community Plan (2016-2036) adopted. The plan identifies 46 strategic directions which will guide the way forward for the Benalla Rural City community over the next 20 years.  Community Plan Implementation Steering Committee with three working groups: Progressive Economy, Connected Community and Sustainable Environment.
Actively participate in relevant regional forums and collaborations including the Hume Region Local Government Network and Hume Regional Management Forum.	Council secretariat of Hume Region Local Government Network. In 2016/17,  Hume Regional Management forum superseded by Ovens Murray Regional Partnership in which Council was an active participant.



The following statement reviews the performance of the Council against strategic indicators in the Council Plan 2013–2017 (2016 Review).

Strategic Indicator / Measure	Target	Result	Comment
Community satisfaction rating for our performance in community consultation and engagement.	48≥	53	
Community satisfaction rating for our performance in informing the community.	54≥	56	

The following statement reviews the services funded in 2016/17 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual (Budget) Variance \$'000
Communications	Community engagement in accordance with the Council's Communication and Consultation Strategy.	188 (0) 188

## RURAL FIRE TALES

The Council coordinated a short film Rural Fire Tales that focused on the experiences of people who lived through the Stewarton and Lake Rowan fires of December 2014.

The film won a 2016 Fire Awareness Award for Recovery (Industry) for its fire prevention and safety work.

The project began after two fast moving grassfires in Lake Rowan and Stewarton impacted 92 properties and burnt 8316ha causing significant losses to rural communities in December 2014.

The film's purpose was to capture the community resilience that came to the fore in a way that would enhance recovery from disaster.

The film features interviews with 43 people aged between two and 78 years old telling their stories of the fire and continuing recovery.

The awards recognised local, grassroots projects that had a big effect on communities, helping reduce the incidences and impact of fire in Victoria.

## WALK TO SCHOOL

Funding of \$9,095 was received from VicHealth to deliver Benalla's second Walk to School Program in October, in which six local schools participated.

The Walk to School Program promotes active travel to school (walking, riding or scooting), healthy eating and road safety for local primary school aged children during October.

Despite significant barriers for children from rural schools (with the majority of students travelling by bus or car to school), each rural school adapted the program to suit.

Funding of \$10,000 has once again been received from Vic Health for the Walk to School Program to run in October 2017.



## FEEEZA PROGRAM

The FReeZA Program aims to engage, inspire and empower young people of all backgrounds and abilities to participate in and deliver an innovative music and arts program.

The program creates opportunities for young people aged 12-25 to access at least 15 exciting, safe and affordable live music and arts events over a three-year funding period (2015- 2018).

FReeZA hosted five events over the past 12 months that gave young people an opportunity to play in front of a crowd and showcase their talents.

## BUILDING AN ACCESSIBLE COMMUNITY

The Community Access and Inclusion Plan (2015-2017) is being reviewed with the assistance of the Accessibility Reference Group.

A number of the items have seen significant achievements.

It is hoped that a new Community Access and Inclusion plan will be drafted and adopted by the Council before the end of 2017.



## ENGAGE WITH RURAL COMMUNITIES

The Community Plan Project Steering Committee continues to meet with strong representation from rural communities.

Rural Outreach Worker Ivan Lister collects data on physical and mental health, wellbeing, social isolation and community connectedness in rural communities.

**Twenty Christmas hampers helped spread Christmas cheer to families and individuals across the municipality.**



## YOUTH ACTION COMMITTEE

The Youth Action Committee (YAC) continued to develop over the past 12 months, meeting once a week with a strong focus on youth mental health.

The YAC obtained unanimous support from the Council to trial a series of 'pop up' youth sessions at the Drill Hall.

This was in response to an identified need for a space in Benalla where young people could connect with the community and get further support for their wellbeing.





## YOUTH STRATEGY

The priority of the Benalla Youth Service Providers Network (BYSPN) is to identify and address issues impacting the mental health of young people (aged 12 – 25) locally and to implement the *Benalla Rural City 2013 – 2017 Youth Strategy*.

The Council, with support from BYSPN, was successful in applying to be one of two rural communities state-wide to trial the youth suicide prevention program, Live4Life. The trial will take place in 2017.

The Council partnered with Highwater Theatre/ Somebody's Daughter Theatre to help raise awareness about mental health for young people, presenting

'Anchoring the Wind – because I Matter' in November 2016.

## NAIDOC WEEK



The Aboriginal and Torres Strait Islander flags are now flown on a permanent basis outside the Civic Centre next to the Australian, Victorian and Benalla Rural City Flags. All five flags were raised together for the first time as part of NAIDOC Week 2015.

The five flags displayed and flying together demonstrates a united Benalla community and shows a strong and ongoing commitment towards recognition and reconciliation.

The NAIDOC Week committee continues to meet throughout the year with a focus on promoting and supporting cultural diversity and increasing the community's understanding and awareness of Aboriginal culture.



The Rural Outreach Worker made **363 visits**, with 176 of those being return visits and 187 being first time visits.

## COMMUNITY SUPPORT PROGRAM 2016/17

The Council's 2016/17 Budget allocated \$79,666 to the Community Support Program. Up to \$64,666 is allocated to the Community Grants and Youth Participation programs and \$15,000 directed toward the Community Sponsorship Program.

The Community Grants Program is an annual funding allocation designed to encourage not-for-profit, community-based organisations to seek funding of up to \$2,500 for projects and activities that will assist in building healthy, vibrant and sustainable communities across Benalla Rural City.

The Youth Participation Grant Program provides an opportunity for youth-led projects to seek funding of up to \$1,000 to help support eligible projects, activities and events planned, driven and delivered by young people for young people.

In February 2017, Council invited interested community groups and not-for-profit organisations to apply for assistance under the Community Grants Program and the Youth Participation Grants Program.

Forty-one applications were received under the Community Grants Program with \$87,108.50 sought in funding for projects with a total value of \$246,276.

Three applications were also received under the Youth Participation Grants Program seeking \$2,954, with total project costs valued at \$5,653.

Grants allocated under the 2016/17 Community Grant and Youth Participation Grants programs are detailed in the table below.

2016/17 Community Grants		
Applicant	Project	Funding Allocated
Baddaginnie Community Inc. as auspice for Peranbin College – Baddaginnie Campus	Funding to assist with the upgrade of sandpit and construction of shade cover at Peranbin College – Baddaginnie Campus.	\$2,000
Benalla Agricultural Pastoral Society Inc.	Upgrade and restoration of public toilets located at the Benalla Showgrounds.	\$2,000
Benalla All Blacks Football Netball Club Inc.	Replacement of water filter as part of water filtration system associated with oval irrigation system.	\$2,000
Benalla and District Adult Riding Club Inc. as auspice for Raise the Roof	Funding contribution towards a Feasibility Study for the development of the "Raise the Roof" undercover sand arena project.	\$2,000
Benalla Aquatic Centre (YMCA Inc.)	Water Safety and Survival Program for all Grade 5 and 6 Students in Benalla.	\$1,800
Benalla Aviation Museum Inc. and Men's Shed	Funding support to assist with the purchase of a marquee and barbeque for fundraising activities and events at the Benalla Farmers' Market.	\$1,500
Benalla Bushrangers Cricket Club Inc.	Funding to assist with the purchase of a portable score board.	\$ 600
Benalla Bushwalking Club Inc.	Funding to assist with the purchase of First Aid accreditation training for new members and First Aid Refresher Courses for current members.	\$1,800

## 2016/17 Community Grants

Applicant	Project	Funding Allocated
Benalla/Euroa/Violet Town Group of Legacy Inc.	Funding to assist with conducting a civic reception to start Australian Legacy Week and to promote the work of Legacy across the community.	\$1,800
Benalla Family Research Group Inc.	Funding to assist with the purchase of A3/ A4 photocopier to replace old computer printer/copier.	\$2,000
Benalla Gardens Tennis Club Inc.	Funding to assist with purchase of two tennis nets and purchase and application of acrylic coating for tennis courts.	\$2,000
Benalla Hockey Association	Funding to assist with the purchase of one set of protective goal keeping gear.	\$1,000
Benalla Indoor Recreation Centre Inc.	Funding to assist with the purchase of carpet to upgrade flooring at the multi-use Indoor Recreation Centre.	\$1,000
Benalla and District Junior Football League Inc. as auspice for Benalla Young Sportspeople's Trust	Funding support to assist young sportspeople in the Rural City of Benalla.	\$500
Benalla Little Athletics Centre Inc.	Funding to assist with the purchase of line marking paint for Little Athletics and School carnivals at Churchill Reserve, Benalla.	\$1,000
Benalla Netball Association	Funding to assist with the upgrade of netball court lights at Churchill Reserve.	\$2,000
Benalla Railway Project Inc.	Funding to assist with the purchase of materials to erect a fence at the Vic Track Railway precinct site.	\$2,000
Benalla Saints Sports Club Inc.	Funding to assist with the renovation and upgrade to the Club canteen at the Lakeside Community Centre.	\$700
Benalla Sustainable Future Group	Funding to assist with the purchase of storage equipment for the Bulk Food Co-op in Benalla.	\$1,000
Benalla Theatre Company Inc.	Funding to assist with advertising, promotion, bridge sign writing and purchase of costumes as part of the 2017 Performance of "Anything Goes".	\$2,000
Benalla U3A Inc.	Funding to assist with purchasing tech savvy computer training for U3A Mentors.	\$ 927
Carers and Parents Support Inc.	Funding to assist with the purchase of magnetic whiteboard, upgrade and update of signage at CPS office and the Carers Supporting Carers activity.	\$1,654
Cooinda Village Inc.	Funding support to assist with "Walk Against Dementia" annual community event.	\$1,500



2016/17 Community Grants		
Applicant	Project	Funding Allocated
Devenish Public Hall Inc.	Funding to assist with the purchase of chairs for the Devenish Hall.	\$1,500
For the Good of Devenish	Funding to assist with the upgrade of signage at the Devenish Bicentennial Park barbecue and playground and restoration of Devenish Community Notice Board.	\$650
Goorambat Football Netball Club Inc.	Funding to assist with the upgrade of the CW Cooper Pavilion including upgrade to male showers and painting of both male and female toilets.	\$2,500
Lurg Hall Reserve Committee of Management Inc.	Funding to assist with construction of an accessibility ramp to the toilet block located at Don McKenzie Reserve, Lurg.	\$2,000
Moirs Bowls Club	Funding to assist with the purchase of a new natural gas oven with six-burner cook top.	\$1,000
Mollyullah Tatong Tree & Land Care Protection Group Inc. as auspice for Kilfeera Heritage	Funding to assist with the development and erection of Heritage signs on three sites across Mollyullah.	\$2,000
North East Muzzle Loaders Colonial Firearms Club Inc.	Funding to assist with the purchase of a Defibrillator and training of device for club members.	\$1,300
Ride Avenue Pre-School	Funding to assist with purchase of an Apple MacBook Air laptop and small digital camera.	\$1,729
Rose City Country Music Club Inc.	Financial assistance to subsidise monthly hire of Lakeside Community Centre.	\$1,800
Samaria Suns Sports Club Inc.	Funding support to assist with purchase of an enclosed trailer to transport club equipment to training days and scheduled games.	\$2,000
Swanpool Bowling Club Inc.	Funding to assist with the purchase of shade cloth and materials to construct shade area at Swanpool Bowling Club.	\$2,200
Tatong Anglers Group Inc	Funding support to assist with the purchase of a Heart Start Defibrillator for all club members' use.	\$2,000
Tomorrow Today Foundation	Funding to assist with the "Kids as Catalysts" arts-based Primary School program.	\$2,000
Waminda Community House Inc.	Funding to assist with the printing, distribution and promotion of the Community Education Partnership program courses in Benalla.	\$1,000

2016/17 Community Grants		
Applicant	Project	Funding Allocated
Warrenbayne Recreation Reserve Committee of Management	Funding to assist with the purchase and installation of a First Aid Kit for the hall and the purchase of gravel to upgrade and improve access to hall grounds.	\$1,252
Youth Live4Life Inc. as auspice for Youth Live4Life Benalla Partnership Group.	Funding to assist with catering and promotion of the Youth Celebration event as part of Live4Life Benalla which has been established in 2017.	\$2,000
<b>Total</b>		<b>\$61,712</b>

2016/17 Youth Participation Grants		
Applicant	Project	Funding Allocated
Taylah Chetteleburg c/- Performing Arts Community Inc.	"Buzz It up" – Funding to assist with conducting a dance and movement class each day for a week during the September school holidays.	\$1,000
Holly Morrison – c/- Lurg Hall Reserve Committee of Management	Funding support to assist with the Live4Life Benalla Youth Celebration Event. Funding will assist with support materials, activities and equipment for the Youth Celebration event to be held in October 2017.	\$954
Olivia Wolff – c/- Goorambat Football Netball Club.	Funding to assist with the purchase of U/15 girls' netball uniforms to enable girls to participate in the newly formed U/15 Ovens Murray Netball competition which commenced in 2017.	\$1,000
<b>Total</b>		<b>\$2,954</b>
<b>Total for Community Grants</b>		<b>\$64,666</b>

## COMMUNITY SPONSORSHIP PROGRAM 2016/17

As detailed in the table below, in 2016/17 \$15,185 of assistance was provided to 31 community organisations from the Council's Community Sponsorship Program.

2016/17 Community Sponsorship Program		
Applicant	Project	Funding Allocated
Benalla & District Adult Riding Club	Assistance provided to support the hire of BPACC and costs associated with film hire for the "Raise the Roof" fundraising event to support the construction of an indoor sand arena at the Benalla Equestrian Centre.	\$500
Benalla Migrant Camp Inc.	Assistance provided to employ a local professional to prepare a strategic plan to guide the way forward for the Benalla Migrant Camp Inc.	\$500
Benalla Business Network Inc.	Assistance provided to support the hire of BPACC for the Benalla Business Network Awards.	\$500
Rotary Club of Benalla Inc.	Funding assistance to support one child to attend the annual Portsea Camp.	\$365
Multicultural Arts Victoria as auspice for Living Culture Together	Funding to assist the Living Culture Together – Small Black Opera Performance with Deborah Cheetham at BPACC.	\$500
Women's Health Goulburn North East	Funding support to assist with costs associated with the "Thoona Girls Night Out" Women's Gathering and Pamper evening held at the Thoona Hall in October 2016.	\$500
Benalla P – 12 College	Funding support for the Years 9 to 11 Presentation Evening Awards and the Year 12 Graduation Awards held in December 2016.	\$500
Lions Club of Benalla	Funding support to assist with costs associated with hiring the Benalla Indoor Recreation Centre for the Lions Club annual Antique and Collectables Fair held in October 2016.	\$500
North East Artisans Inc.	Funding support to assist with costs associated with the Cup Eve Picnic Party, a fundraising event for the Benalla Short Film Festival in 2017.	\$500
Goorambat Public Hall Committee of Management as auspice for Goorambat & District Community Committee	Funding support to assist with public liability insurance costs associated with the Balloon Night Glow event as part of the 2016 Benalla Festival.	\$500



## 2016/17 Community Sponsorship Program

Applicant	Project	Funding Allocated
Benalla Broken River Painters Inc. as auspice for the Anzac Commemorative Working party	Funding support to erect a bronze plaque on small concrete plinth at the corner of Barkly and Mackellar streets, Benalla to honour Benalla soldiers who fell in the Great War and reinstate Barkly Street as their Avenue of Honour.	\$500
U3A Benalla Inc.	Funding support to assist members of the U3A with furniture removal and relocation from the Flexible Learning Centre in Barkly Street to the Senior Citizens in Fawcner Drive, Benalla.	\$390
Lurg Hall & Recreation Reserve Committee of Management	Funding support to replace a portable barbecue at the Lurg Hall that is regularly used for community gatherings.	\$500
Goomalibee Upotipotpon CFA	Funding support to assist with catering for the Goomalibee Fire Brigade Community Christmas celebrations.	\$500
Benalla Bushrangers Cricket Club	Funding to assist with costs associated with a Community Mental Health information night in conjunction with the Black Dog Institute at the All Blacks Clubrooms in Benalla in November 2016.	\$450
Tatong Young Bloods Inc.	Funding support to assist with costs associated with conducting a community barbecue and Christmas picnic.	\$500
Baddaginnie Community Inc.	Funding to assist with costs associated with a Baddaginnie Community Christmas function to be held at the Jubilee Hall, Baddaginnie in December 2017.	\$500
Benalla & District Junior Football League	Funding to assist with purchasing BPACC tickets for the U/16, U/14 and U/12 junior football team awards.	\$500
Benalla Swimming Club	Funding to assist with costs associated with the Benalla Swimming Club meet to be held at the Benalla YMCA Aquatic Centre in conjunction with Swimming Victoria in December 2016.	\$500
Benalla Health	Funding to assist with costs associated with the 2017 International Women's Day Event held in Benalla in March 2017.	\$500
Benalla Walk to D Feet Motor Neurone Disease	Funding support to assist with costs associated with hiring audio equipment for the 10-year anniversary of the Benalla fundraising event.	\$500
Cooinda Village	Funding to support the hire of BPACC for the "Let's Find our Voice" Concert which is a collaborative event held between FCJ College and Cooinda.	\$500

2016/17 Community Sponsorship Program		
Applicant	Project	Funding Allocated
Let us Entertain You Inc. (LUEY)	Funding support to assist with costs associated with purchasing lighting for the "Exit the King" production in the Benalla Town Hall.	\$500
Goorambat Neighbourhood Watch as auspice for Goorambat Street Art	Funding to assist with costs associated with the Goorambat Street Art Festival event as part of the Benalla 2017 Wall to Wall Festival.	\$500
Molyullah Recreation Reserve and Public Hall Committee of Management	Funding support to assist with costs associated with the hire of rubbish bins for the annual Molyullah Easter Sports Day event held in April 2017.	\$500
Benalla Field & Game Inc.	Funding support to access second hand small rubbish bins for the Benalla Field and Game Club facility.	\$480
Hume Veterans Cycling Association Inc.	Funding support to assist with costs associated with venue hire and traffic management as part of the Hume Veterans Cycling Club Open race held in Benalla.	\$500
Goorambat Football Netball Club as auspice for the Benalla United U18s Football Club	Funding support to assist with purchase a First Aid Kit and Goal umpire equipment for the U/18s Football Club.	\$500
Benalla Sustainable Futures Group Inc.	Funding support to assist with costs associated with conducting the Swanpool Environmental Film Festival 2017.	\$500
Benalla Historical Society Inc.	Funding support to assist with costs associated with the development of "A history of homes and other buildings in Benalla" project.	\$500
Benalla Indoor Recreation Centre Inc.	Funding support to assist with the purchase of paint for the interior walls of Court 3 and surrounds of the multipurpose Indoor Recreation Centre.	\$500
<b>Total \$15,185</b>		

## MAJOR EVENT FUNDING PROGRAM

The Council's Major Event Funding Program enables local community groups, clubs, organisations and external event groups to seek funding to assist in the staging of events that will provide measurable economic benefit and enhance the image and liveability of Benalla Rural City.

The Major Event Funding Program guidelines allow a maximum request per event of \$1,500.

Under the 2016/17 Major Event Funding round, \$12,000 was provided to nine organisations.



Event	Applicant	Description	Project assistance	Funding allocated
Benalla Migrant Camp Reunion 10-11 Nov 2017	Benalla Migrant Camp Inc.	Large scale social event for local, interstate and international participants to celebrate a Migrant Camp reunion at the Benalla Airfield. Live music, food exploring various cultures and nationalities.	Assistance with the hire of table and chairs.	\$1400
Benalla Street Party 10 Nov 2017	Benalla Street Party Inc.	Twilight street party featuring market stalls, food, live music, kids' activities, displays, cultural and street performances.	Assist with costs associated with entertainment, children's activities and equipment hire.	\$1,200
Happy Wanderer Festival 3-6 Nov 2017	Wandering Collective	Four-day festival featuring live music, workshops, local interactive art and yoga.	Assist with hiring local acts, volunteer costs and other operational expenses.	\$1,500
41st Historic Winton 27-28 May 2017	Austin 7 Club	Weekend for classic and vintage cars and motor bikes with race events at Winton Motor Raceway bringing 10K spectators and 700 competitors to Winton and Benalla.	Assist with publicity and promotion.	\$1,500



Event	Applicant	Description	Project assistance	Funding allocated
Let's Find Our Voices 12 May 2017	Cooinda Village	Collaborative project between Cooinda and FCJ College where Yr 7 students and Cooinda residents join to sing. Rehearsal period followed by concert.	Assist with transport to rehearsals, catering, music sheets and other operational expenses.	\$500
Ride-on Mower Competition 11 Nov 2017	Moorngag Hall & Rec Reserve Committee	Modified inaugural ride-on mower races by Australian Ride-on Mower Association.	Assist with hire of jumping castle, portable amenities, catering, hire of haybales, cool room and marquee.	\$1,200
Benalla Saints Show & Shine 12 Nov	Benalla Saints Sports Club	Classic truck and bike show with a swap meet to be held at Benalla Showgrounds.	Assist with promotion, publicity and to contribute to operation of event.	\$1,200
Trails, Tastings & Trails Food and Wine Festival 2017 June long weekend	Glenrowan Vignerons	Food and wine festival as part of the Glenrowan Vignerons Wine Festival.	General expenditure relating to festival operation.	\$1,500
Weekend with Dinosaurs 11-12 Nov 2017	Performing Arts Community Support	A life-like dinosaur will take part in Benalla Festival street parade and other festival activities: animatronic display.	Assist with dinosaur exhibit hire.	\$1,500
<b>Total</b>				<b>\$11,500</b>





# Our 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 progress of the Council against the major initiatives identified in the 2016/17 Budget.**

Initiatives	Comment
Continue to implement strategies to attract, retain and develop staff to create a high performance organisation.	Recruitment process continues to be refined. Corporate induction for new staff members. Human Resources now coordinating employment advertising.
Pursue innovation and efficiency in our systems and processes.	Virtual Desktop environment rolled out across the organisation. High Country Library Network Shared Service Agreement established. Fibre connection installed at the Customer Service Centre. Magiq budgeting software installed.
Actively advocate for our community in our relationships with State and Federal Governments and statutory authorities.	Regular meetings held with local Federal and State representatives. CEO met with Victoria Grant Commissions to discuss ongoing funding. Mayor, CEO and two councillors attended 2017 National General Assembly of Local Government. Ongoing negotiations with the Department of Defence on ongoing financial contributions in lieu of rates for non-rateable land owned by the department.
Maintain viable and sustainable income sources through our revenue strategy and by seeking additional grant funding.	Twenty-eight grant applications submitted, 13 successful totalling \$480,000. Awaiting an outcome for five submissions.

**The following statement reviews the performance of the Council against strategic indicators in the Council Plan 2013–2017 (2016 Review).**

Strategic Indicator / Measure	Target	Result	Comment
Community satisfaction rating on overall Council direction.	44≥	55	
Community satisfaction rating on our overall performance.	48≥	54	
Community satisfaction rating on our interaction and responsiveness in dealing with the public (customer service).	63≥	70	
Community satisfaction rating on our performance in relation to advocacy (lobbying on behalf of the community).	47≥	55	
Staff turnover rate.	Higher than 5% and less than 10%	16%	
Indebtedness Ratio.	<35%	56%	Increase the result of a substantial increase in the Landfill Rehabilitation Reserve.
The result of the most recent published financial sustainability risk assessment undertaken by Victorian Auditor-General's Office following its review of the audited statements.	Low Risk Sustainability Assessment	Overall sustainability risk not assessed for 2016/17 results.	Victorian Auditor-General states that the small shire council cohort is facing a relatively higher level of financial sustainability risks in comparison to larger councils.



The following statement reviews the services funded in 2016/17 Budget and the persons or sections of the community who are provided the service.

Description of activities	Service Category	Expenditure (Revenue) Net Cost \$'000
Corporate and Community	Includes the General Manager Corporate and Community and associated support. Also includes the governance function.	508 (3) 505
Chief Executive Officer	Chief Executive Officer, Mayor and Councillor support.	864 (41) 823
Customer Relations	Includes Customer Relations functions in accordance with Council's Customer Service Strategy and associated Charter and maintenance of customer request system.  Provides document management, including the creation, scanning, maintenance, archiving and disposal of all corporate records together the administration of incoming and outgoing mail.  Also includes the operations of the Benalla Civic Centre and Benalla Drill Hall Community Activity Centre.	723 (12) 711
Finance	Provides financial-based services including the management of Council's finances, coordination of procurement activities, raising and collection of debtors, repayment of loans and forward financial planning.  Also delivers property-based services including the valuation of properties throughout the municipality and agreements over Council controlled property.	1,234 18,043 (16,809)
People and Performance	Includes human resource management support for the organisation and training and development for staff.  Delivers information technology services and support to Council staff and various work locations.  This Department Is also responsible for ensuring the achievement of corporate objectives in regard to Risk Management, Insurance and Occupational Health and Safety.	2,095 (1) 2,094

## EQUAL EMPLOYMENT OPPORTUNITY

The Council is committed to the principles of equal opportunity and believes that all employees, councillors, volunteers and contract workers are entitled to work in an environment that is free from discrimination, harassment and sexual harassment. Our policies and practices help ensure there is no discrimination relating to gender, age, disability, marital status, parenthood, race, colour, national extraction, social or ethnic origin, religion or political affiliation.

Our equal opportunity policy and procedure reflects our commitment to ensuring a workplace free from discrimination for all Council representatives and provides guidance, advice and assistance in dealing with matters relating to prohibited discrimination including harassment, in a respectful and confidential manner. A revised Staff Code of Conduct has been distributed to all staff accompanied by an extensive training program focusing on all aspects of equal employment opportunity.

## REPORTED INCIDENTS AND HAZARDS

The Council is committed to providing and maintaining a work environment that is safe and healthy for all staff, volunteers, contractors, customers, visitors and members of the public.

The Occupational Health and Safety policy and procedures defines the approach to ensure this commitment is achieved.

The Council is committed to improving workplace health and safety through effective and prompt reporting and investigating of incident/accidents occurring across Council operations. Prompt reporting of incident/accidents enables Council to reduce the risk of recurring incidents and creates a safer workplace for everyone.

In 2016/17 there were 62 reported incidents. Work continues with all staff to raise the awareness of their Occupational Health and Safety responsibilities and continue to reduce the risk of incident/accidents occurring as well as continuing to encourage proactive reporting and investigation to incident and accidents.

## MANAGING RISK

The Council has a Risk Management Framework and Policy in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines. The Risk Management Framework and Policy addresses items such as:

- risk management culture and branding
- best practice in risk management
- communication and training
- risk registers and risk management software development.



# Statutory Information



## BEST VALUE

The Council commenced a review of its services in accordance with the *Local Government (Best Value Principals) Act 1999* following de-amalgamation.

### The Best Value Principals are:

- Council services must meet quality and cost standards
- Council services must be responsive to the needs of its community
- Council services must be accessible to whom the services are intended
- Council services must achieve continuous improvement
- Council must consult with its community on the services it provides
- Council must report to the community its achievements in relation to the principles.

### Examples of how the Council gave effect to the Best Value Principals during the 2016/17 financial year included:

- Community Plan adopted and Implementation Committee established
- Accessibility Reference Group continued to meet and the Council's Access and Inclusion Plan was implemented
- installation of a portable hearing loop at the Sir Edward Weary Dunlop Learning Centre
- participation in the 2017 Local Government Community Satisfaction Survey
- achievements in relation to Best Value Principles reported to the community via the Annual Report and other communication vehicles, including media releases, 'Community Connect' column in *The Benalla Ensign*, newsletters and website.

## 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 generally 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.

## DOCUMENTS FOR PUBLIC INSPECTION

Listed below are documents available for public inspection pursuant to Section 12 of the Local Government (General) Regulations 2015. In accordance with Section 222 of the *Local Government Act 1989* the following documents may be viewed on the Council's website or inspected by arrangement with the Governance Coordinator on 5760 2645.

- (a) a document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months, including—
  - i. the name of the Councillor or member of Council staff; and
  - ii. the dates on which the travel began and ended; and
  - iii. the destination of the travel; and
  - iv. the purpose of the travel; and
  - v. the total cost to the Council of the travel, including accommodation costs;
- (b) the agendas for, and minutes of, ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- (c) the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- (d) a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act;

- (e) a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;
- (f) a register maintained under section 224(1A) of the Act of authorised officers appointed under that section;
- (g) a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

## CONTRACTS

During the year, the Council entered into contracts with one supplier valued at \$150 000 or more, without first engaging in a competitive process in accordance with Section 186 of the *Local Government Act 1989*. The supplier was Smiths Tree Services Pty Ltd. The total value was \$179,814 (GST inc.).

## DISABILITY ACTION PLAN

The *Community Access and Inclusion Plan 2015–2017* was adopted by the Council on 2 September 2015.

## DOMESTIC ANIMAL MANAGEMENT PLAN

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

The Council adopted the *Domestic Animal Management Plan 2012–16* on 3 July 2013. A review of the plan started in April 2017.



## FOOD ACT MINISTERIAL DIRECTORS

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

No such Ministerial Directions were received by 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 also be lodged online or by email.

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

Further information regarding FOI can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au) and on the Benalla Rural City website [www.benalla.vic.gov.au](http://www.benalla.vic.gov.au)

## PROTECTED DISCLOSURE PROCEDURES

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

Procedures on how to make a disclosure are publicly available on the Council's website [www.benalla.vic.gov.au](http://www.benalla.vic.gov.au).

During the 2016/17 year no disclosures were notified to Council officers appointed to receive disclosures.

## 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 such Ministerial Directors were received by the Council during the financial year.

# Accountability and Governance

Like all Local Government in Victoria, the Council operates under the *Local Government Act 1989*. 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 Transport, Planning and Local Infrastructure.

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.

The Council has 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

The Council's business is conducted on a monthly cycle of Wednesday evening meetings commencing at 6pm at the Benalla Civic Centre.

Meeting type	Purpose
Planning and Development Committee	This Committee considers all matters relating to strategic and statutory planning and associated matters, infrastructure, environmental issues and economic development matters. Membership is all of the Councillors and the quorum for this Committee is a majority of the members.
Finance and Operations Committee	This Committee considers all governance and financial matters, social and cultural development and matters relating to the operation of Council's organisational administration. The membership of the Finance and Operations Committee is all of the Councillors and the quorum for this committee is a majority of members.
Ordinary Meeting of Council	The Council Meeting adopts, rejects or modifies recommendations from the two 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.

## MEETINGS OF COUNCIL:

Total meetings: 11 Ordinary Meetings, 4 Special Meetings

### Councillor attendance at Council meetings and Special Council meetings during 2016/17.

Councillor	Number of Council meetings attended	Number of Special Council meetings attended	Total
Cr Justin King (Mayor)	2	1	3
Cr Barbara Alexander	11	4	15
Cr Ellen Crocker	4	1	5
Cr Peter Davis	10	4	14
Cr Margaret Richards	4	1	5
Cr Andrew Vale	3	0	3
Cr Donald Firth (Mayor)	7	3	10
Cr Danny Claridge	6	3	9
Cr Bernadette Hearn	7	2	9
Cr Scott Upston	7	3	10
Cr William van Wersch	7	3	10

## SPECIAL COMMITTEE MEETINGS

Council has appointed the following three special committees under section 86 of the Local Government Act 1989:

Special Committee	Councillors	Officers	Other	Purpose
Finance and Operations	7	0	0	Exercise its delegated Council powers in connection with governance, financial operations, social and cultural development and the Council's organisational administration.
Planning and Development	7	0	0	Exercise its delegated Council powers in connection with planning, capital projects, infrastructure, land use, environmental issues and local laws
Benalla Art Gallery	2	1	7	To develop the strategic direction of the Benalla Art Gallery.

## FINANCE AND OPERATIONS COMMITTEE MEETINGS DURING 2016/17

Councillor	Number of meetings attended	Number of meetings held
Cr Justin King (Mayor)	3	4
Cr Barbara Alexander	11	11
Cr Ellen Crocker	4	4
Cr Peter Davis	10	11
Cr Margaret Richards	4	4
Cr Andrew Vale	4	4
Cr Danny Claridge	7	7
Cr Donald Firth	7	7
Cr Bernadette Hearn	6	7
Cr Scott Upston	6	7
Cr William van Wersch	7	7

## PLANNING AND DEVELOPMENT COMMITTEE MEETINGS 2016/17

Councillor	Number of meetings attended	Number of meetings held
Cr Justin King (Mayor)	2	4
Cr Barbara Alexander	11	11
Cr Ellen Crocker	4	4
Cr Peter Davis	10	11
Cr Margaret Richards	4	4
Cr Andrew Vale	3	4
Cr Danny Claridge	7	7
Cr Donald Firth	7	7
Cr Bernadette Hearn	7	7
Cr Scott Upston	7	7
Cr William van Wersch	5	7

## BENALLA ART GALLERY SPECIAL COMMITTEE MEETINGS DURING 2016/17

Councillor	Number of meetings attended	Number of meetings held
Cr Ellen Crocker	2	2
Cr Margaret Richards	1	2
Cr Barbara Alexander	3	3
Cr Danny Claridge	2	3



## COUNCILLOR CODE OF CONDUCT

In February 2017, in accordance with the *Local Government Act 1989*, the Council reviewed and adopted a revised Councillor Code of Conduct. The Councillor Code of Conduct sets out the standard of conduct expected of elected representatives and identifies the leadership role of Councillors. It draws attention to the need to act with integrity and honesty, to not exert influence on Council officers and to avoid conflicts between public duties as a councillor and personal interests and obligations. The *Local Government Act 1989* Act was amended to provide the requirement that all incoming councillors commencing from the 2016 general election must read their council's code of conduct and make a declaration that they will abide by it before taking (and remaining) in office. All Councillors signed the declaration on 1 February 2017.

The code provides three dispute resolution processes for dealing with internal disputes among the Councillors.

## 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 1989* to disclose any conflict of interest and step away from discussion and decision making in regard to the matter.

During 2016/17 there were eight conflicts of interest disclosed by Councillors at Council and Special Committee meetings. These are available on the Council's website including a description and the class of the conflict.

## COUNCILLOR ALLOWANCES

Local Government Councillors in Victoria are provided with an allowance in recognition of their duties as Councillors under section 74 of the *Local Government Act 1989*. The Victorian Government sets an upper and lower limit for allowances dependent on the income and population of the municipality. Mayors are entitled to a higher allowance than Councillors in recognition of the greater level of commitment required.

For 2016/17 Benalla Rural City was classified as a Category 1 Council. On 15 March 2017 the Council resolved that the Mayoral and Councillor allowances be fixed at 2.5 per cent less than the maximum amount payable to a Category 1 Council with an amount equivalent to the deduction being donated to an appropriate charity as determined by the Council.

In 2016/17 an amount of \$4,350 was donated to the commissioning of art work for the Sir Edward 'Weary' Dunlop Learning Centre from savings generated by the reduced Councillor allowance payments.

The table below presents the allowances paid to each Councillor during 2016/17:

Councillor	Allowance
Cr Justin King (Mayor)	\$8,793
Cr Barbara Alexander	\$18,781
Cr Ellen Crocker	\$4,665
Cr Peter Davis	\$18,781
Cr Margaret Richards	\$4,665
Cr Andrew Vale	\$4,665
Cr Danny Claridge	\$14,117
Cr Donald Firth (Mayor)	\$42,176
Cr Bernadette Hearn	\$14,117
Cr Scott Upston	\$14,117
Cr William van Wersch	\$14,117

## ADVISORY COMMITTEES

### AUDIT ADVISORY COMMITTEE

#### Membership

The Committee comprises of two Councillors and a majority of 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 Operations Committee. The external members are:

Name	Qualifications	Professional Background
Mr Wayne Neylon	F CPA	A qualified Fellow of the Certified Practising Accountants with over 40 years of experience working in the retailing, finance, stockbroking, aviation, financial services and insurance industries.
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 John Stapleton	B Bus	Currently the Finance and Business Specialist at VicRoads in Benalla and has in excess of 29 years' experience working in government, primarily in the financial and business area. Has 20 years' experience as a volunteer treasurer to sporting clubs and associations in the Benalla area.
Mr Cameron Gray	B Bus 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.

#### Attendance

During the 2016-17 financial year there was a quorum for each Audit Advisory Committee meeting, where the appointed Chair presided. Attendance of AAC members for the 2016-17 meeting schedule is summarised below.

	July 2016	August 2016	November 2016	March 2017
Wayne Neylon, Chair	✓	✓	✓	✓
Rita HP Ruyters		✓	✓	✓
John Stapleton	✓	✓		✓
Cameron Gray	✓	✓	✓	✓
Cr Justin King, Mayor	✓			
Cr Bernie Hearn			✓	✓
Cr Barbara Alexander, Chair Finance & Operations Committee	✓	✓	✓	✓

## Terms of Reference

The Audit Committee conducted an annual review of its Terms of Reference and measured its performance using The Audit Committees – A Guide to Good Practice for Local Government as a guide.

## Internal audit

The internal audit service helps Council and its management perform their responsibilities. The internal audit service helps Council maintain an organisational environment with strong, relevant and effective internal controls. The Council's internal auditor reports to the Audit Committee.

The service was re-contracted for a five-year term to Richmond, Sinnott and Delahunty during the 2016/17 financial year.

A strong internal control environment ensures our systems contribute effectively to the management of operations.

Services provided by the internal audit service include:

- risk assessment
- development and management of an audit program
- conducting audits and reviews
- reporting audit opinions, findings and recommendations; and
- presenting, discussing and providing advice on key issues.

## External audit

The Victorian Auditor-General is responsible for the external audit of Council.

Our external audit focuses on three key areas:

- strategic planning
- detailed audit system testing
- review of financial statement.

# COUNCIL ADVISORY COMMITTEES

These committees advise Council about a range of community and social issues that may influence policy, service and program development.

Council Advisory Committee	Purpose of Committee
Audit Advisory Committee	An independent Advisory Committee which assists the Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.
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 Performing Arts and Convention Centre Advisory Committee	Commenced on 27 June 2017 following the disbanding of the BPACC Board of Management to oversee the direction and governance of BPACC.
Benalla Riverine Parklands Advisory Committee	Assists in the management, operation and development of the Benalla Riverine Parklands.
Benalla Festival Advisory Committee	Manages the Benalla Festival and makes recommendations to Council about Festival events and activities.
Benalla Sports and Equestrian Centre Advisory Committee	Guides and assists in the management and operation of the Benalla Equestrian Centre and associated racecourse reserve land.
CEO Performance Review Advisory Committee	Reviews the performance of the CEO.
Communications Advisory Committee	Oversees Council communications and corporate publications.
Volunteer Advisory Committee	Coordinates and organises recognition of volunteers across the organisation.

## 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
1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy ✓ Date of current policy: 1 October 2005
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines ✓ Date of current guidelines: 1 October 2005
3	Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Plan ✓ Date Plan adopted in accordance with section 126 of the Act: 30 August 2017
4	Annual budget (plan under section 130 of the Act 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 ✓ Date Budget adopted in accordance with section 130 of the Act: 30 August 2017
5	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans ✓ Date of operation of current plans: <ul style="list-style-type: none"> <li>• Buildings 11 July 2012</li> <li>• Roads 8 August 2012</li> <li>• Bridges 8 August 2012</li> <li>• Footpaths and cycleways 5 September 2007</li> </ul>
6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy ✓ Date of current strategy: 30 August 2017
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy ✓ Date of current policy: 14 July 2015
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy ✓ Date of current policy: 21 October 2011
9	Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Plan ✓ Maintained in accordance with section 20 of the Emergency Management Act 1986: 29 June 2016
10	Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Policy ✓ Reviewed and approved in accordance with section 186A of the Local Government Act : 28 June 2017
11	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)	Plan ✓ Date of current plan: 9 December 2016



Governance and Management Item	Assessment
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan ✓ Date of current plan: 9 December 2016
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework ✓ Date of current framework: 30 June 2014
14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established ✓ Date committee established in accordance with section 139 of the Act: 1 February 2005
15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged ✓ Date of engagement of current provider: 8 March 2017
16 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)	Framework ✓ Date of operation of current framework: 1 July 2014
17 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)	Report ✓ Council Meeting: 19 October 2016 12 April 2017
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements ✓ Date Statements presented to Council in accordance with section 138(1) of the Act: Q1: 30/11/2016, Q2: 15/03/2017, Q3: 24/05/2017, Q4: 27/09/2017
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Report ✓ Risk Framework and Strategy under review
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Report ✓ Council Meeting: 19 October 2016 12 April 2017
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act ✓ Council Meeting: 19 October 2016

Governance and Management Item	Assessment
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act ✓ Date reviewed: 08 February 2017
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act ✓ Date of review: Council to CEO 08 February 2017, Council to staff 28 June 2017
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Governance local law (incorporating meeting procedures) made in accordance with section 91(1) of the Act ✓ Date Local Law gazetted: 31 August 2016

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



**Robert Barber**  
**Acting Chief Executive Officer**



**Cr Don Firth**  
**Mayor**

27 September 2017

# Performance Statements

## PERFORMANCE STATEMENT

For the year ended 30 June 2017

Ref Reg	
17(1)	<p><b>Description of municipality</b></p> <p>The Benalla Rural City Council (the council) is situated 193 kilometres north east of Melbourne. It includes the eight rural townships of Benalla, Baddaginnie, Devenish, Goorambat, Swanpool, Thoona, Tatong and Winton. Benalla is renowned for its beautiful and picturesque rural landscape and welcoming rural towns. The central lake, botanical gardens and riverine parklands, walking paths, and an attractive and vibrant centre, are the key features. The main industries include, manufacturing, agriculture, retail and construction. The council covers an area of 235,059 hectares and has a population of 13,444.</p>

## SUSTAINABLE CAPACITY INDICATORS

For the year ended 30 June 2017

Ref Reg	Indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
15(3) C4	<b>Own-source revenue</b> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,397	\$1,460	\$1,554	
C5	<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$706	\$445	\$724	Early receipt of \$2 million grant payment from Victoria Grants Commission in 2016/17 has impacted on 2017 result.
C1	<b>Population</b> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,401	\$2,015	\$2,210	
C2	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$13,816	\$13,498	\$13,653	
C3	<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	10	10	10	
C6	<b>Disadvantage</b> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2	2	2	

### Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

"population" means the resident population estimated by council

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

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

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

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



## SERVICE PERFORMANCE INDICATORS

For the year ended 30 June 2017

Ref Reg	Service/ indicator/ measure	Results 2015	Results 2016	Results 2017	Material Variations
15(1) Sch3 G5	<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51	44	51	Community satisfaction with Council decisions increased in the 2016/17 year due largely to the election of a new Council. Council continues to improve its ranking against the State average and the average for small rural Councils.
SP4	<b>Statutory Planning</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0%	100%	100%	
R5	<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	52	51	49	
LB4	<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	24%	19%	19%	
WC5	<b>Waste Collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	32%	60%	62%	
AF6	<b>Aquatic facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6	7	7	
AM4	<b>Animal management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	8	8	5	Council prefer to achieve compliance via education rather than through prosecution. Animal prosecutions vary from year to year, depending on instances reported.

Ref Reg	Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
FS4	<b>Food safety</b> <b>Heath and safety</b> <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	0.00%	0.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year. There were no critical non-compliance notifications and no major non-compliance notifications about food premises in 2016 or 2017.
HC6	<b>Home and community care</b> <b>Participation</b> <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	39%	22%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth's NDIS and CHSP programs.
Hc7	<b>Participation</b> <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	44%	13%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth's NDIS and CHSP programs.
MC4	<b>Maternal and child health</b> <b>Participation</b> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	82%	84%	80%	
MC5	<b>Participation</b> <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	85%	89%	88%	

## Definitions

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

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

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

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

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

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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

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

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

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

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

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

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

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth.

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

# FINANCIAL PERFORMANCE INDICATORS

For the year ended 30 June 2017

Ref Reg	Dimension / <i>indicator</i> / <i>measure</i>	Results 2015	Results 2016	Results 2017	Forecasts				Material Variations
					2018	2019	2020	2021	
15(2) Sch3	<b>Operating position</b>								
16(1)	<b>Adjusted underlying result</b>								
16(2)	<i>Adjusted underlying surplus (or deficit)</i>	-12%	-3%	5%	-5%	-4%	-5%	-6%	Early receipt of \$2 million grant payment from Victoria Grants Commission in 2016/17 has improved 2017 result.
17(2)	[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100								
17(3)									
	<b>Liquidity</b>								
	<b>Working capital</b>								
	<i>Current assets compared to current liabilities</i>	127%	120%	157%	119%	119%	118%	113%	Higher cash levels as some large capital works projects delayed in 2016/17.
	[Current assets / Current liabilities] x100								
	<b>Unrestricted cash</b>								
	<i>Unrestricted cash compared to current liabilities</i>	55%	68%	106%	42%	45%	43%	40%	Higher cash levels as some large capital works projects delayed in 2016/17.
	[Unrestricted cash / Current liabilities] x100								
	<b>Obligations</b>								
	<b>Loans and borrowings</b>								
	<i>Loans and borrowings compared to rates</i>	47%	41%	35%	32%	32%	31%	30%	Repayment of loans has reduced financial obligations. The decreasing level of loans and borrowings will improve the capacity of the Council to meet long term obligations
	[Interest bearing loans and borrowings / Rate revenue] x100								
	<i>Loans and borrowings repayments compared to rates</i>	9%	10%	8%	7%	6%	7%	7%	Loans reduction will improve capacity of the Council to meet long term obligations.
	[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100								
	<b>Indebtedness</b>								
	<i>Non-current liabilities compared to own source revenue</i>	68%	62%	57%	53%	53%	52%	50%	The decreasing level of indebtedness is due to decreasing non-current liabilities and increasing own source revenue.
	[Non-current liabilities / Own source revenue] x100								



Ref Reg	Dimension/ <i>indicator</i> / <i>measure</i>	Results	Results	Results	Forecasts			Material Variations	
		2015	2016	2017	2018	2019	2020		2021
	<b>Asset renewal</b> <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	45%	52%	57%	56%	57%	46%	68%	Reliance on capital grant funding and available liquidity to undertake renewal works using own funds. Increased expenditure on asset renewal in 2016/17.
	<b>Stability</b> <b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	50%	59%	52%	61%	59%	59%	59%	Victoria Grants Commission timing of \$2 million grant payments has increased adjusted underlying revenue in 2016/17.
	<b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality ] x100	0.61%	0.65%	0.64%	0.67%	0.67%	0.67%	0.68%	
	<b>Efficiency</b> <b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,399	\$3,418	\$3,722	\$3,584	\$3,697	\$3,811	\$3,929	
	<b>Revenue level</b> <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,532	\$1,577	\$1,644	\$1,684	\$1,704	\$1,728	\$1,752	
	<b>Workforce turnover</b> <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16%	11%	16%	10%	10%	10%	10%	2016 organisation review increased terminations in 2016/17.

## Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

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

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

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

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

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

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

"population "means the resident population estimated by council

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

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

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

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

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

## OTHER INFORMATION

For the year ended 30 June 2017

Ref  
Reg

### 1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014.

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 30 August 2017 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

## CERTIFICATION OF THE PERFORMANCE STATEMENT

Ref Reg
------------

- |       |   |
|-------|---|
| 18(1) | In my opinion, the accompanying performance statement has been prepared in accordance with the <i>Local Government Act 1989</i> and the Local Government (Planning and Reporting) Regulations 2014. |
| 18(2) |   |



Cathy Fitzpatrick, CPA  
**Principal Accounting Officer**  
**Dated:** 27 September 2017

- |       |  |
|-------|--|
| 18(2) | In our opinion, the accompanying performance statement of the ( <i>council name</i> ) for the year ended 30 June 2017 presents fairly the results of council's performance in accordance with the <i>Local Government Act 1989</i> and the Local Government (Planning and Reporting) Regulations 2014. |
|-------|--|

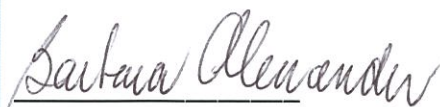
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

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



Don Firth  
**Mayor**  
**Dated:** 27 September 2017



Barbara Alexander  
**Councillor**  
**Dated:** 27 September 2017



Robert Barber  
**Acting Chief Executive Officer**  
**Dated:** 27 September 2017



# Independent Auditor's Report

## To the Councillors of Benalla Rural City Council

### Opinion

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

- description of municipality for the year ended 30 June 2017
- sustainable capacity indicators for the year ended 30 June 2017
- service performance indicators for the year ended 30 June 2017
- financial performance indicators for the year ended 30 June 2017
- other information and
- the certification of the performance statement.

In my opinion, the performance statement of Benalla Rural City Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

### Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the *Auditor's responsibilities for the audit of the performance statement* section of my report.

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

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

### Councillors' responsibilities for the performance statement

The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

---

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

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

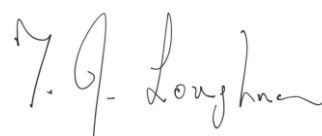
As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

---

MELBOURNE  
28 September 2017



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*

# Benalla Rural City Council

## Financial Report

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## Comprehensive Income Statement For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
<b>Income</b>			
Rates and charges	3	16,261	15,559
Statutory fees and fines	4	405	302
User fees	5	4,094	3,744
Grants - operating	6	8,487	4,571
Grants - capital	6	2,661	2,951
Contributions - monetary	7	202	91
Contributions - non monetary	7	-	29
Net gain on disposal of property, infrastructure, plant and equipment	8	3	3
Other income	9	131	363
<b>Total income</b>		<b>32,244</b>	<b>27,613</b>
<b>Expenses</b>			
Employee costs	10	11,348	11,381
Materials and services	11	12,404	11,843
Depreciation and amortisation	13	4,575	3,797
Borrowing costs	14	195	315
Share of net loss High Country Library Corporation	16	238	51
Other expenses	15	954	15
<b>Total expenses</b>		<b>29,714</b>	<b>27,402</b>
<b>Surplus/(deficit) for the year</b>		<b>2,530</b>	<b>211</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	23	(3,399)	(4,273)
<b>Items that may be reclassified to surplus or deficit in future periods</b>			
<b>Total comprehensive result</b>		<b>(869)</b>	<b>(4,062)</b>



## Balance Sheet As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	5,805	4,464
Trade and other receivables	19	2,247	1,990
Other financial assets	18	1,972	1,474
Inventories	20	28	38
Other assets	22	101	52
<b>Total current assets</b>		<b>10,153</b>	<b>8,018</b>
<b>Non-current assets</b>			
Investments in associates and joint ventures	16	218	456
Property, infrastructure, plant and equipment	23	211,652	215,138
Intangible assets	25	30	-
<b>Total non-current assets</b>		<b>211,900</b>	<b>215,594</b>
<b>Total assets</b>		<b>222,053</b>	<b>223,612</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	26	2,162	2,492
Trust funds and deposits	27	708	637
Provisions	28	2,606	2,510
Interest-bearing loans and borrowings	29	973	1,028
<b>Total current liabilities</b>		<b>6,449</b>	<b>6,667</b>
<b>Non-current liabilities</b>			
Provisions	28	7,194	7,126
Interest-bearing loans and borrowings	29	4,723	5,263
<b>Total non-current liabilities</b>		<b>11,917</b>	<b>12,389</b>
<b>Total liabilities</b>		<b>18,366</b>	<b>19,056</b>
<b>Net assets</b>		<b>203,687</b>	<b>204,556</b>
<b>Equity</b>			
Accumulated surplus		131,416	128,981
Reserves	30	72,271	75,575
<b>Total Equity</b>		<b>203,687</b>	<b>204,556</b>

## Statement of Changes in Equity For the Year Ended 30 June 2017

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2017</b>					
Balance at beginning of the financial year		204,556	128,981	75,243	332
Surplus/(deficit) for the year		2,530	2,530	-	-
Net asset revaluation increment/(decrement)	30(a)	(3,399)	-	(3,399)	-
Transfers to other reserves	30(b)	-	(95)	-	95
<b>Balance at end of the financial year</b>		<b>203,687</b>	<b>131,416</b>	<b>71,844</b>	<b>427</b>

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2016</b>					
Balance at beginning of the financial year		205,078	125,300	79,516	262
Restatement of found assets	38	3,540	3,540	-	-
Surplus/(deficit) for the year		211	211	-	-
Net asset revaluation increment/(decrement)	30(a)	(4,273)	-	(4,273)	-
Transfers to other reserves	30(b)	-	(70)	-	70
<b>Balance at end of the financial year</b>		<b>204,556</b>	<b>128,981</b>	<b>75,243</b>	<b>332</b>

## Statement of Cash Flows For the Year Ended 30 June 2017

		2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
	Note		
<b>Cash flows from operating activities</b>			
Rates and charges		17,279	15,428
Statutory fees and fines		415	332
User fees		3,671	4,092
Grants - operating		8,477	4,740
Grants - capital		2,431	2,951
Contributions - monetary		202	228
Interest received		84	180
Trust funds and deposits taken		166	53
Other receipts		540	91
Net GST refund/payment		1,181	1,107
Employee costs		(10,969)	(11,264)
Materials and services		(15,701)	(14,375)
Trust funds and deposits repaid		(95)	(35)
<b>Net cash provided by operating activities</b>	31	<u>7,681</u>	<u>3,528</u>
<b>Cash flows from investing activities</b>			
Payments for intangibles		(30)	-
Payments for property, infrastructure, plant and equipment		(5,047)	(3,617)
Proceeds from sale of property, infrastructure, plant and equipment		25	3
Payments for investments		(617)	(1,474)
Proceeds from sale of investments		119	1,666
<b>Net cash (used in) investing activities</b>		<u>(5,550)</u>	<u>(3,422)</u>
<b>Cash flows from financing activities</b>			
Finance costs		(195)	(315)
Proceeds from borrowings		500	500
Repayment of borrowings		(1,095)	(1,159)
<b>Net cash (used in) financing activities</b>		<u>(790)</u>	<u>(974)</u>
Net increase (decrease) in cash and cash equivalents		1,341	(868)
Cash and cash equivalents at the beginning of the financial year		4,464	5,332
<b>Cash and cash equivalents at the end of the financial year</b>		<u>5,805</u>	<u>4,464</u>
Financing arrangements	32		
Restrictions on cash assets	17		

## Statement of Capital Works For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
<b>Property</b>			
Land		-	-
Land improvements		59	-
<b>Total land</b>		<b>59</b>	<b>-</b>
Buildings		4	450
Heritage buildings		-	-
Building improvements		163	-
Leasehold improvements		-	-
<b>Total buildings</b>		<b>167</b>	<b>450</b>
<b>Total property</b>		<b>226</b>	<b>450</b>
<b>Plant and equipment</b>			
Heritage plant and equipment		-	-
Plant, machinery and equipment		446	3
Fixtures, fittings and furniture		130	232
Computers and telecommunications		227	-
Library books		94	-
Art collection		18	-
<b>Total plant and equipment</b>		<b>915</b>	<b>235</b>
<b>Infrastructure</b>			
Roads		1,462	1,391
Bridges		613	791
Footpaths and cycleways		1	9
Drainage		162	20
Recreational, leisure and community facilities		109	-
Waste management		25	1,184
Parks, open space and streetscapes		573	-
Aerodromes		916	-
Other infrastructure		45	-
<b>Total infrastructure</b>		<b>3,906</b>	<b>3,395</b>
<b>Total capital works expenditure</b>		<b>5,047</b>	<b>4,080</b>
<b>Represented by:</b>			
New asset expenditure		1,107	1,376
Asset renewal expenditure		2,610	1,966
Asset expansion expenditure		1,282	-
Asset upgrade expenditure		48	738
<b>Total capital works expenditure</b>		<b>5,047</b>	<b>4,080</b>



### 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, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

## Note 1 Significant accounting policies

### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1 (m) )
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (n) )
- the determination of employee provisions (refer to Note 1 (t) )
- the determination of landfill provisions (refer to Note 1 (u) )

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.

### (b) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

### (c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2017, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

There are no entities to consolidate into Council.

### (d) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

**Note 1**  
**(e)**      **Significant accounting policies (cont.)**  
**Accounting for investments in associates and joint arrangements**

*Associates*

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

**(f)**      **Revenue recognition**

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

*Rates and Charges*

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

*Statutory fees and fines*

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

*User fees*

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

*Grants*

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

*Contributions*

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

*Sale of property, infrastructure, plant and equipment*

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

*Interest*

Interest is recognised as it is earned.

*Dividends*

Dividend revenue is recognised when the Council's right to receive payment is established.

*Other Income*

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.

**Note 1 Significant accounting policies (cont.)**

**(g) Fair value measurement**

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

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

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

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

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

**(h) Cash and cash equivalents**

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

**(i) Trade and other receivables**

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

**(j) Other financial assets**

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

**(k) Inventories**

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.

**(l) Non-current assets classified as held for sale**

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

**(m) Recognition and measurement of property, infrastructure, plant and equipment and intangibles**

*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.

**Note 1 Significant accounting policies (cont.)**

**(m) Recognition and measurement of property, infrastructure, plant and equipment and intangibles (cont.)**

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 detailed in Note 1 n have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

*Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

*Land under roads*

Land under roads acquired after 30 June 2008 is brought to account using the fair value basis. As at 30 June 2017 Council had not acquired any land under roads after 30 June 2008. Council does not recognise land under roads that it controlled prior to that period in its financial report. Council will commence reporting land under roads acquired prior to 30 June 2008 in future financial reports when this is mandatory.

**(n) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles**

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

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 below and are consistent with the prior year unless otherwise stated.

**Note 1 Significant accounting policies (cont.)**

**(n) Depreciation and amortisation of property, infrastructure plant and equipment and intangibles (cont.)**

*Asset recognition thresholds and depreciation periods*

	Depreciation Period Years	Threshold Limit \$'000
Property		
land	-	-
Buildings		
buildings	60-100	5
building improvements	60-100	5
Plant and Equipment		
plant, machinery and equipment	4-33	5
fixtures, fittings and furniture	4-33	1
computers and telecommunications		1
library books	4-33	1
Infrastructure		
roads	15-200	5
bridges	80-100	5
footpaths and cycleways	80-100	5
drainage	100	5
waste management	3-30	5
recreational, leisure and community facilities	80-100	5
waste management	80-100	5
parks, open space and streetscapes	80-100	5
off street car parks	80-100	5
aerodromes	80-100	5
Artworks	-	-
Intangible assets	1-10	5

**(o) Repairs and maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. 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.

**(p) Investment property**

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

**(q) 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.



**Note 1 Significant accounting policies (cont.)**

**(r) Trust funds and deposits**

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 27).

**(s) Borrowings**

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

*Borrowing costs*

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. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

**(t) Employee costs and benefits**

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

*Wages and salaries and annual leave*

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

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

*Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability - unconditional LSL is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

*Classification of employee costs*

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

**(u) Landfill rehabilitation provision**

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

**Note 1 Significant accounting policies (cont.)**

**(v) Leases**

*Finance leases*

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council does not have any Leased assets being amortised.

*Operating leases*

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

*Leasehold improvements*

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 1 to 10 year period.

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(x) Financial guarantees**

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 36 contingent liabilities and contingent assets.

**(y) Contingent assets and contingent liabilities and commitments**

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

**(z) Pending accounting standards**

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

*Revenue from contracts with customers (AASB 15) (applies 2019/20)*

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

*Leases (AASB 16) (applies 2019/20)*

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has a number of operating leases that will be impacted as a result of this change. This will see assets and liabilities of approximately \$0.394 million recognised.

**(aa) Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

## Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 29 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

### (a) Income and Expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000	Ref
<b>Income</b>				
Rates and charges	16,133	16,261	128	1
Statutory fees and fines	323	405	82	2
User fees	4,094	4,094	-	
Grants - operating	6,452	8,487	2,035	3
Grants - capital	3,959	2,661	(1,298)	4
Contributions - monetary	-	202	202	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	14	3	(11)	
Other income	391	131	(260)	6
<b>Total income</b>	<b>31,366</b>	<b>32,244</b>	<b>878</b>	
<b>Expenses</b>				
Employee costs	12,471	11,348	1,123	7
Materials and services	10,887	12,404	(1,517)	8
Depreciation and amortisation	4,979	4,575	404	
Borrowing costs	237	195	42	
Share of net profits/(losses) of High Country Library Corporation	-	238	(238)	9
Other expenses	359	954	(595)	10
<b>Total expenses</b>	<b>28,933</b>	<b>29,714</b>	<b>(781)</b>	
<b>Surplus/(deficit) for the year</b>	<b>2,433</b>	<b>2,530</b>	<b>97</b>	

### (i) Explanation of material variations

Variance	Item	
1	Rates and charges	Increases in rates and charges includes revenue in lieu of rates and penalty interest on rates.
2	Statutory fees and fines	Significantly higher Planning fees received \$66,158 due to several large planning development applications in 2016/17. First year Library income is recognised in the accounts \$5,000.
3	Grants - operating	\$2 million in recurrent operational income (Financial Assistance Grants) attributable to the 2017/18 financial year was received in June 2017.

**(i) Explanation of material variations (cont.)**

<b>Variance</b>	<b>Item</b>	<b>Explanation</b>
4	Grants - capital	Significant capital grants, Roads to Recovery and the Benalla Airport Redevelopment, were not received within the budgeted period due timing variations for the delivery of these projects. Projects will be finalised in 2017/18.
5	Contributions - monetary	Contributions not budgeted for received for various community events and programs, including Benalla Festival, Benalla Art Gallery, Benalla Performing Arts and Convention Centre, Community Development programs and Developer Open Space contributions.
6	Other income	Contributions in Lieu of Rates income budgeted for in Other Income, however, actual income reported in Rates and Charges category.
7	Employee costs	June 2016 organisational review resulted in a \$500,000 reduction in employee costs. \$500,000 of Contract Staff costs incorrectly budgeted in Employee costs rather than Materials and Services.
8	Materials and services	Major variances: \$280,000 in Contract Staff costs not budgeted for in Materials and Services. Regional Assessment Officer grant funding received in 2015/16, however, expense not budgeted for 2016/17. Information Technology expenditure \$187,000 higher than budget. Infrastructure Maintenance Budget exceeded by \$96,000 due to 2016 flood event. Street Tree and Parks and Garden Maintenance expenses \$93,000 higher than budget. \$92,000 of costs associated with the High Country Library Hub shared service not budgeted for in Materials and Services.
9	Share of net profits/(losses) of High Country Library Corporation	Impairment adjustment of \$0.28 million reduced value of the Council's equity in the High Country Library Corporation not budgeted for. The corporation is expected to be liquidated in October 2017.
10	Other expenses	Impairment write-down footpath and cycleways \$507,000

Note 2 Budget comparison (cont.)

(b) Capital Works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
<b>Property</b>				
Land improvements	184	59	(125)	1
<b>Total Land</b>	<b>184</b>	<b>59</b>	<b>(125)</b>	
Buildings	45	4	(41)	2
Heritage buildings	-	-	-	
Building improvements	262	163	(99)	3
<b>Total Buildings</b>	<b>307</b>	<b>167</b>	<b>(140)</b>	
<b>Total Property</b>	<b>491</b>	<b>226</b>	<b>(265)</b>	
<b>Plant and Equipment</b>				
Plant, machinery and equipment	487	446	(41)	4
Fixtures, fittings and furniture	-	130	130	3
Computers and telecommunications	312	227	(85)	5
Library books	-	94	94	6
Art collection	-	18	18	7
<b>Total Plant and Equipment</b>	<b>799</b>	<b>915</b>	<b>116</b>	
<b>Infrastructure</b>				
Roads	1,549	1,462	(87)	8
Bridges	1,690	613	(1,077)	8&9
Footpaths and cycleways	103	1	(102)	10
Drainage	347	162	(185)	11
Recreational, leisure and community facilities	691	109	(582)	12
Waste management	775	25	(750)	13
Parks, open space and streetscapes	-	573	573	14
Aerodromes	1,416	916	(500)	15
Off street car parks	17	-	(17)	16
Other infrastructure	35	45	10	
<b>Total Infrastructure</b>	<b>6,623</b>	<b>3,906</b>	<b>(2,717)</b>	
<b>Total Capital Works Expenditure</b>	<b>7,913</b>	<b>5,047</b>	<b>(2,866)</b>	
<b>Represented by:</b>				
New asset expenditure	2,207	1,107	(1,100)	
Asset renewal expenditure	4,053	2,610	(1,443)	
Asset expansion expenditure	58	1,282	1,224	
<b>Total Capital Works Expenditure</b>	<b>7,913</b>	<b>5,047</b>	<b>(2,866)</b>	

Variance Ref	Item	Explanation
1	Land improvements	Enterprise Park improvements were partly completed, the balance of works will be finalised in 2017/18.
2	Buildings	Smythe Street Bus Shelter budgeted \$26,000 works were partly undertaken in June 2016 which resulted in a budget saving in 2016/17.
3	Building improvements	Emergency works not budgeted for were undertaken on Ride Avenue Kindergarten roof \$18,519. The finalisation of the Sir Edward Weary Dunlop Learning Centre Library grant project exceeded budget by \$60,880. The budgeted \$130,000 on building improvements to BPACC are required to be classified as furniture and fitting assets.



<b>(i) Explanation of material variations (cont.)</b>		
<b>Variance Ref</b>	<b>Item</b>	<b>Explanation</b>
4	Plant, machinery and equipment	Major plant replacement - grader procurement achieved \$41,000 savings as demonstration grader purchased.
5	Computers and telecommunications	Intranet and website platform project delivered for \$35,000 previously budgeted \$90,000, savings \$55,000.
6	Library books	In August 2016 the Council undertook the provision of the Library Service directly. No budget item provided for book stock replacement.
7	Art collection	Funding for Benalla Art Gallery acquisition received in 2016/17 \$18,000 not budgeted.
8	Roads	Roads to Recovery grant funding reduced from \$2,261,696 to \$1,582,508, the program delivery was altered in Roads and Bridges by \$679,000, additional grant funds will be received in 2017/18.
9	Bridges	Several bridge projects did not proceed as grant funding less than budgeted refer variance ref 8. William Roads Bridge was delivered with a saving \$350,000, which is attributed to competitive procurement in market at time of tendering.
10	Footpaths and cycleways	The Council received funding in 2016/17 for "Pathways to Future" study and suspended projects to the value of \$34,000 to align with outcome of community consultation and defined projects for the future, Benalla Winton Wetlands Cycle Trail \$67,000 is being carried forward to 2017/18.
11	Drainage	Devenish Drainage Stage 1/2 program budgeted \$347,000 project delayed due to easement access issues \$162,000 expended, balance of works to be finalised 2017/18.
12	Recreational, leisure and community facilities	Architectural design services for Aquatic Centre redevelopment concept \$75,000 budgeted however consultation process undertaken resulted in larger project scope beyond budget allocated, with no grant funding available for this project. Churchill Park Netball Court Upgrade project \$110,000 funded by grant funds and contributions received in 2015/16. Actual expenditure has been attributed to other asset categories.
13	Waste management	Landfill Rehabilitation Plan and Sequencing reviewed in 2016/17 \$25,000. The Council's landfill works are being programmed to meet the EPA's ongoing compliance requirements, Cell 2 construction project budgeted \$700,000 will be completed across two years.
14	Parks, open space and streetscapes	Benalla Children's Playground Redevelopment Project budget \$604,000 see variance ref 12 actual expenditure \$573,000 balance of project costs incurred in 2015/16.
15	Aerodromes	Benalla Airport Redevelopment project is to be completed over two years. The budget has accounted for the full project costs.
16	Off Street Carpark	Mair Street Car Park \$17,000 budgeted planned works associated with Aquatic Centre Redevelopment project which has not proceeded in 2016/17.

**Note 3 Rates and charges**

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 2016/17 was \$2.524 million (2015/16 \$2.423 million).

	2017 \$'000	2016 \$'000
General Rates	12,157	11,760
Municipal charge	1,727	1,679
Waste management charge	2,207	1,927
Supplementary rates and rate adjustments	(367)	129
Interest on rates and charges	66	64
Revenue in lieu of rates	471	-
<b>Total rates and charges</b>	<b>16,261</b>	<b>15,559</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be first applied in the rating year commencing was 1 July 2016.

**Note 4 Statutory fees and fines**

Infringements and costs	34	43
Court recoveries	31	7
Town planning fees	-	182
Land information certificates	38	17
Permits	260	17
Diesel Rebates	42	36
<b>Total statutory fees and fines</b>	<b>405</b>	<b>302</b>

**Note 5 User fees**

Aged and health services	409	440
Leisure centre and recreation	1,205	1,171
Child care/children's programs	49	63
Parking	-	-
Registration and other permits	206	239
Building services	2	7
Waste management services	2,079	1,703
LSL/Workcover Insurances	-	-
Other fees and charges	144	121
<b>Total user fees</b>	<b>4,094</b>	<b>3,744</b>

	2017 \$'000	2016 \$'000
<b>Note 6 Grants</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	9,442	5,228
State funded grants	1,706	2,294
<b>Total grants received</b>	<b>11,148</b>	<b>7,522</b>
<b>Recurrent - Commonwealth Government</b>		
Victoria Grants Commission	5,899	1,908
Family day care	336	451
General home care	835	604
<b>Recurrent - State Government</b>		
Arts Victoria	105	140
Aged care	190	403
School crossing supervisors	44	40
Family Support	321	312
Maternal and child health	169	148
Youth Programs	72	25
Fire Services Levy Support	41	40
Other	180	28
<b>Total recurrent operating grants</b>	<b>8,192</b>	<b>4,099</b>
<b>Non-recurrent - Commonwealth Government</b>		
<b>Non-recurrent - State Government</b>		
Walk to School Project	20	9
Aged Care	15	128
Youth Programs	11	48
Environmental Projects	42	33
Economic Development Projects	7	1
Emergency Resourcing	10	10
Regional Assessment Coordinator Position - DHHS	-	215
Resilient Communities	56	10
Other	134	18
<b>Total non-recurrent operating grants</b>	<b>295</b>	<b>472</b>
<b>Total operating grants</b>	<b>8,487</b>	<b>4,571</b>
<b>Capital Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	1,541	1,958
<b>Total recurrent capital grants</b>	<b>1,541</b>	<b>1,958</b>
<b>Non-recurrent - Commonwealth Government</b>		
Buildings	-	4
Roads - National Disaster Relief	173	30
Aerodrome - Benalla Airport	658	210
Other - Infrastructure Bus Shelter	-	25
<b>Non-recurrent - State Government</b>		
Art Gallery - Acquisitions	10	7
Aerodrome - Benalla Airport	-	200
Parks, open space and Streetscapes	40	218
Waste Management	-	299
Other - Infrastructure	239	-
<b>Total non-recurrent capital grants</b>	<b>1,120</b>	<b>993</b>
<b>Total capital grants</b>	<b>2,661</b>	<b>2,951</b>

Note		2017 \$'000	2016 \$'000
<b>Note 6</b>	<b>Grants (cont.)</b>		
	<b>Unspent grants received on condition that they be spent in a specific manner</b>		
	Balance at start of year	751	(275)
	Received during the financial year and remained unspent at balance date	369	1,112
	Received in prior years and spent during the financial year	(900)	(86)
	Balance at year end	<u>220</u>	<u>751</u>
<b>Note 7</b>	<b>Contributions</b>		
	Monetary	202	91
	Non-monetary	-	29
	<b>Total contributions</b>	<u>202</u>	<u>120</u>
	Other infrastructure	-	91
	Other	-	29
	<b>Total non-monetary contributions</b>	<u>-</u>	<u>120</u>
<b>Note 8</b>	<b>Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
	Proceeds of sale	25	3
	Written down value of assets disposed	(22)	-
	<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<u>3</u>	<u>3</u>
<b>Note 9</b>	<b>Other income</b>		
	Interest	84	117
	Dividends	-	124
	Other	47	122
	<b>Total other income</b>	<u>131</u>	<u>363</u>
<b>Note 10 (a)</b>	<b>Employee costs</b>		
	Wages and salaries	10,101	10,125
	WorkCover	284	269
	Superannuation	901	896
	Fringe benefits tax	62	91
	Other	-	-
	<b>Total employee costs</b>	<u>11,348</u>	<u>11,381</u>
<b>Note 10 (b)</b>	<b>Superannuation</b>		
	Council made contributions to the following funds:		
	<b>Defined benefit fund</b>		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	136	153
	Employer contributions - other funds	-	-
		<u>136</u>	<u>153</u>
	Employer contributions payable at reporting date.	-	-
	<b>Accumulation funds</b>		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	411	406
	Employer contributions - other funds	354	337
		<u>765</u>	<u>743</u>
	Employer contributions payable at reporting date.	65	61
	Refer to note 35 for further information relating to Council's superannuation obligations.		

		2017 \$'000	2016 \$'000
<b>Note 11</b>	<b>Materials and services</b>		
	Materials and Services	4,018	4,068
	Contract Payments	3,497	2,950
	Vehicle Expenses	1,093	1,049
	Contract Staff	341	467
	Consultants General	271	375
	Environmental Protection Authority Levy	338	385
	Electricity and Utilities	377	451
	Exhibition/Performance Costs	459	265
	Insurance	348	344
	Memberships and Subscriptions	117	109
	Repairs & Maintenance	151	192
	Advertising and Promotion	168	140
	Cleaning Expenses	150	126
	Staff Training / Courses	84	85
	Telephone	195	122
	Management Committees	129	135
	Other	669	580
	<b>Total materials and services</b>	<b>12,404</b>	<b>11,843</b>
<b>Note 12</b>	<b>Bad and doubtful debts</b>		
	Other debtors	-	-
	<b>Total bad and doubtful debts</b>	<b>-</b>	<b>-</b>
<b>Note 13</b>	<b>Depreciation and amortisation</b>		
	Intangible assets	5	-
	Property	487	600
	Plant and equipment	331	260
	Infrastructure	3,752	2,937
	<b>Total depreciation</b>	<b>4,575</b>	<b>3,797</b>
	<i>Refer to note 23 and 25 for a more detailed breakdown of depreciation and amortisation charges</i>		
<b>Note 14</b>	<b>Borrowing costs</b>		
	Interest - Borrowings	195	315
	<b>Total borrowing costs</b>	<b>195</b>	<b>315</b>
	Rate used to capitalise borrowing costs	3.70%	3.98%
<b>Note 15</b>	<b>Other expenses</b>		
	Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	39	41
	Auditors' remuneration - Internal	17	5
	Councillors' allowances	175	188
	Contributions - Community Support and Events Street Art	90	70
	Contributions - Street Art 2017	13	-
	Contributions - High Country Library Corporation	8	377
	Contributions - State Emergency Service	13	27
	Write-back of landfill rehabilitation provision	-	(2,026)
	Impairment write-down footpath and cycleways	507	-
	Recognition of additional landfill rehabilitation provision	185	1,184
	Increase in the discounted amount arising because of time and the effect of any change in the discount rate landfill rehabilitation provision	(93)	149
	<b>Total other expenses</b>	<b>954</b>	<b>15</b>



Note 16		2017 \$'000	2016 \$'000
	<b>Investments in associates, joint arrangements and subsidiaries</b>		
	<b>(a) Investments in associates</b>		
	Investments in associates accounted for by the equity method are:	218	456
	High Country Library Corporation - Share in Ownership with three other Councils is 23.12%.		
	<b>High Country Library Corporation</b>		
	<i>Background</i>		
	The High Library Corporation was established by an Order of the Governor in Council on 25th July 1996 and is a body corporate. It was resolved at the board meeting of 21 March 2016 that the Corporation be wound up voluntarily and that:		
	Gary Fettes of Rodgers Reidy Chartered Accountants, 3/326 William Street Melbourne, act as the Liquidator of the corporation for the purpose of such winding up.		
	It was resolved at the board meeting of August 15, 2016 that The Agreement of the High Country Library Corporation remained the governing document relating to assets and liabilities and that assets and liabilities be distributed amongst the member councils in line with the apportionment model outlined therein and as practised over the duration of the agreement.		
	Each of these member Councils contributes financially to the operation of the Corporation. Each Council's contribution is reflective of population within each municipality, but is more specifically based on agreed service levels with each participating Council.		
	<b>Fair value of Council's investment in High Country Library Corporation</b>	<b>218</b>	<b>456</b>
	<b>Council's share of accumulated surplus/(deficit)</b>	272	323
	Council's share of accumulated surplus(deficit) at start of year	(238)	(51)
	Distributions for the year	<b>34</b>	<b>272</b>
	Council's share of accumulated surplus(deficit) at end of year		
	<b>Council's share of reserves</b>	184	184
	Council's share of reserves at start of year	(184)	-
	Transfers (to) from reserves	-	<b>184</b>
	Council's share of reserves at end of year		
	<b>Movement in carrying value of specific investment</b>	456	507
	Carrying value of investment at start of year	(238)	(51)
	Distributions received	<b>218</b>	<b>456</b>

		2017 \$'000	2016 \$'000
<b>Note 17</b>	<b>Cash and cash equivalents</b>		
	Cash on hand	3	2
	Cash at bank	5,689	3,538
	Term deposits	113	924
		<b>5,805</b>	<b>4,464</b>
	Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
	- Trust funds and deposits (Note 27)	708	637
	Total restricted funds	<b>708</b>	<b>637</b>
	Total unrestricted cash and cash equivalents	<b>5,097</b>	<b>3,827</b>
	<b>Intended allocations</b>		
	Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
	- Cash held to fund carried forward capital works	1,939	1,442
	- Unexpended grants (note 6)	220	751
	Total funds subject to intended allocations	<b>2,159</b>	<b>2,193</b>
	Refer also to Note 18 for details of other financial assets held by Council.		
<b>Note 18</b>	<b>Other financial assets</b>		
	Term deposits	1,972	1,474
	<b>Total other financial assets</b>	<b>1,972</b>	<b>1,474</b>
<b>Note 19</b>	<b>Trade and other receivables</b>		
	<b>Current</b>		
	Statutory receivables	259	-
	Rates debtors	946	870
	Other debtors	1,069	1,133
	Provision for doubtful debts - other debtors	(27)	(13)
	Total current trade and other receivables	<b>2,247</b>	<b>1,990</b>
	<b>Non-current</b>		
	Statutory receivables		
	Special rate scheme	-	-
	Non statutory receivables		
	Loans and advances to community organisations	-	-
	Total non-current trade and other receivables	-	-
	<b>Total trade and other receivables</b>	<b>2,247</b>	<b>1,990</b>
	<b>(a) Ageing of Receivables</b>		
	At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
	Current (not yet due)	465	829
	Past due by up to 30 days	280	51
	Past due between 31 and 180 days	263	28
	Past due between 181 and 365 days	4	47
	Past due by more than 1 year	56	178
	<b>Total trade &amp; other receivables</b>	<b>1,068</b>	<b>1,133</b>
	<b>(b) Movement in provisions for doubtful debts</b>		
	Balance at the beginning of the year	(13)	(13)
	New Provisions recognised during the year	(14)	(6)
	Amounts already provided for and written off as uncollectible	-	6
	Balance at end of year	<b>(27)</b>	<b>(13)</b>

		2017 \$'000	2016 \$'000
<b>Note 19</b>	<b>Trade and other receivables (cont.)</b>		
	<b>(c) Ageing of individually impaired Receivables</b>		
	At balance date, other debtors representing financial assets with a nominal value of \$27,000 (2016: \$13,000) were impaired. The amount of the provision raised against these debtors was \$27,000 (2016: \$13,000). 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)	-	-
	Past due by up to 30 days	-	-
	Past due between 31 and 180 days	-	-
	Past due between 181 and 365 days	-	-
	Past due by more than 1 year	(27)	(13)
	<b>Total trade &amp; other receivables</b>	<b>(27)</b>	<b>(13)</b>
<b>Note 20</b>	<b>Inventories</b>		
	Inventories held for distribution	28	38
	Inventories held for sale	-	-
	<b>Total inventories</b>	<b>28</b>	<b>38</b>
<b>Note 21</b>	<b>Non current assets classified as held for sale</b>		
	No asset classified as held for sale.		
<b>Note 22</b>	<b>Other assets</b>		
	Prepayments	101	52
	Other	-	-
	<b>Total other assets</b>	<b>101</b>	<b>52</b>

Note 23 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Acquisitions	Revaluation	Impairment	Depreciation	Disposal	Transfers	At Fair Value 30 June 2017
Land	28,098	-	-	-	-	-	5	28,103
Buildings	22,814	163	-	-	(487)	-	131	22,621
Plant and Equipment	1,093	855	-	-	(331)	(22)	144	1,739
Artwork	13,308	18	-	-	-	-	-	13,326
Infrastructure	149,116	3,226	(3,399)	(507)	(3,752)	-	386	145,070
Work in progress	709	750	-	-	-	-	(666)	793
<b>Total</b>	<b>215,138</b>	<b>5,012</b>	<b>(3,399)</b>	<b>(507)</b>	<b>(4,570)</b>	<b>(22)</b>	<b>-</b>	<b>211,652</b>

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Land Improvements	-	59	5	-	54
Buildings	354	-	131	-	223
Plant and Equipment	144	-	144	-	-
Infrastructure	211	691	386	-	516
Art	-	-	-	-	-
<b>Total</b>	<b>709</b>	<b>750</b>	<b>666</b>	<b>-</b>	<b>793</b>

Note 23 Property, infrastructure, plant and equipment (cont.)

		Land - specialised	Land - non specialised	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
<b>Land and Buildings</b>	<b>Note</b>								
At fair value 1 July 2016		18,342	9,756	<b>28,098</b>	37,966	1,215	<b>39,181</b>	354	<b>67,633</b>
Accumulated depreciation at 1 July 2016		-	-	-	(15,734)	(633)	<b>(16,367)</b>	-	<b>(16,367)</b>
		<b>18,342</b>	<b>9,756</b>	<b>28,098</b>	<b>22,232</b>	<b>582</b>	<b>22,814</b>	<b>354</b>	<b>51,266</b>
<b>Movements in fair value</b>									-
Acquisition of assets at fair value		-	-	-	163	-	<b>163</b>	59	<b>222</b>
Contributed assets		-	-	-	-	-	-	-	-
Revaluation increments/decrements		-	-	-	-	-	-	-	-
Fair value of assets disposed		-	-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-
Transfers		5	-	<b>5</b>	131	-	<b>131</b>	(136)	-
		<b>5</b>	-	<b>5</b>	<b>294</b>	-	<b>294</b>	<b>(77)</b>	<b>222</b>
Depreciation and amortisation		-	-	-	(471)	(16)	<b>(487)</b>	-	<b>(487)</b>
Accumulated depreciation of disposals		-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-
		-	-	-	(471)	(16)	<b>(487)</b>	-	<b>(487)</b>
At fair value 30 June 2017		18,347	9,756	<b>28,103</b>	38,260	1,215	<b>39,475</b>	277	<b>67,855</b>
Accumulated depreciation at 30 June 2017		-	-	-	(16,205)	(649)	<b>(16,854)</b>	-	<b>(16,854)</b>
		<b>18,347</b>	<b>9,756</b>	<b>28,103</b>	<b>22,055</b>	<b>566</b>	<b>22,621</b>	<b>277</b>	<b>51,001</b>



**Note 23 Property, infrastructure, plant and equipment (cont.)**

		Plant machinery and equipment*	Fixtures fittings and furniture	Computers and telecomms	Library books	Total plant and equipment	Work In Progress	Total Plant and Equipment
<b>Plant and Equipment</b>	<b>Note</b>							
At fair value 1 July 2016		2,650	2,191	-	-	4,841	144	4,985
Accumulated depreciation at 1 July 2016		(2,105)	(1,643)	-	-	(3,748)	-	(3,748)
		<b>545</b>	<b>548</b>	<b>-</b>	<b>-</b>	<b>1,093</b>	<b>144</b>	<b>1,237</b>
<b>Movements in fair value</b>								
Acquisition of assets at fair value		446	123	192	94	855	-	855
Contributed assets		-	-	-	-	-	-	-
Revaluation increments/decrements		-	-	-	-	-	-	-
Fair value of assets disposed		(266)	-	-	-	(266)	-	(266)
Impairment losses recognised in operating result		-	(260)	-	-	(260)	-	(260)
Transfers		31	-	113	-	144	(144)	-
		<b>211</b>	<b>(137)</b>	<b>305</b>	<b>94</b>	<b>473</b>	<b>(144)</b>	<b>329</b>
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation		(83)	(192)	(48)	(8)	(331)	-	(331)
Accumulated depreciation of disposals		266	-	-	-	266	-	266
Impairment losses recognised in operating result		-	238	-	-	238	-	238
Transfers		-	-	-	-	-	-	-
		<b>183</b>	<b>46</b>	<b>(48)</b>	<b>(8)</b>	<b>173</b>	<b>-</b>	<b>173</b>
At fair value 30 June 2017		2,861	2,054	305	94	5,314	-	5,314
Accumulated depreciation at 30 June 2017		(1,922)	(1,597)	(48)	(8)	(3,575)	-	(3,575)
		<b>939</b>	<b>457</b>	<b>257</b>	<b>86</b>	<b>1,739</b>	<b>-</b>	<b>1,739</b>

\* Restatement of opening balances - refer Note 38

Note 23 Property, infrastructure, plant and equipment (cont.)

		Roads*	Bridges*	Footpaths and cycleways*	Drainage*	Recreational, leisure and community	Waste Management ^	Parks open spaces and streetscapes	Aerodromes	Offstreet Car Park	Other Infrastructure	Total Infrastructure	Work In Progress	Total Infrastructure
<b>Infrastructure</b>	<b>Note</b>													
At fair value 1 July 2016		179,887	19,924	6,204	19,010	-	3,184	-	-	-	-	228,209	211	228,420
Accumulated depreciation at 1 July 2016		(65,202)	(5,459)	(2,347)	(5,510)	-	(575)	-	-	-	-	(79,093)	-	(79,093)
Adjusted fair value 1 July 2016		114,685	14,465	3,857	13,500	-	2,609	-	-	-	-	149,116	211	149,327
<b>Movements in fair value</b>														
Acquisition of assets at fair value		1,251	577	-	-	109	-	573	712	-	4	3,226	691	3,917
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments/decrements	1	(438)	19,382	-	2,657	-	1,407	-	-	-	-	23,008	-	23,008
Fair value of assets disposed		-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers		-	8	-	-	130	-	52	138	38	20	386	(386)	-
		813	19,967	-	2,657	239	1,407	625	850	38	24	26,620	305	26,925
<b>Movements in accumulated depreciation</b>														
Depreciation and amortisation		(2,467)	(200)	(139)	(193)	-	(753)	-	-	-	-	(3,752)	-	(3,752)
Revaluation increments/decrements	1	(9,604)	(15,286)	(313)	(899)	-	(305)	-	-	-	-	(26,407)	-	(26,407)
Accumulated depreciation of disposals		-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	(507)	-	-	-	-	-	-	-	(507)	-	(507)
Transfers		-	-	-	-	-	-	-	-	-	-	-	-	-
		(12,071)	(15,486)	(959)	(1,092)	-	(1,058)	-	-	-	-	(30,666)	-	(30,666)
At fair value 30 June 2017		180,700	39,891	6,204	21,667	239	4,591	625	850	38	24	254,829	516	255,345
Accumulated depreciation at 30 June 2017		(77,273)	(20,945)	(3,306)	(6,602)	-	(1,633)	-	-	-	-	(109,759)	-	(109,759)
		103,427	18,946	2,898	15,065	239	2,958	625	850	38	24	145,070	516	145,586

\* Restatement of opening balances - refer Note 38

Note 1: Revaluation increments / decrements were taken to the Reserve accounts (see Note 30).

^ Landfill air space included in waste management category.

**Note 23 Property, infrastructure, plant and equipment (cont.)**

<b>Artworks</b>	<b>Note</b>	<b>Artworks</b>
At fair value 1 July 2016		13,308
Accumulated depreciation at 1 July 2016		-
		<u>13,308</u>
<b>Movements in fair value</b>		
Acquisition of assets at fair value		18
Contributed assets		-
Revaluation increments/decrements		-
Fair value of assets disposed		-
Impairment losses recognised in operating result		-
Transfers		-
		<u>18</u>
<b>Movements in accumulated depreciation</b>		
Depreciation and amortisation		-
Accumulated depreciation of disposals		-
Impairment losses recognised in operating result		-
Transfers		-
		<u>-</u>
At fair value 30 June 2017		13,326
Accumulated depreciation at 30 June 2017		-
		<u>13,326</u>

Note 23

Property, infrastructure, plant and equipment (cont.)

*Valuation of land and buildings*

Valuation of land and buildings were undertaken by a qualified independent valuer by Marcus L W Hann, AAPI, Certified Practising Valuer, of LG Valuation Services. The date of the valuation was 30 June 2016. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3	DOV
Land	-	9,756	-	6/2016
Specialised Land	-	-	18,347	6/2016
Buildings	-	566	-	6/2016
Specialised Buildings	-	-	22,055	6/2016
Total	-	10,322	40,402	

*Valuation of artworks*

Valuation of artwork assets has been determined in accordance with an independent valuation undertaken by Warren Joel, Certified Practising Valuer No. 408, of Byjoel Valuations. The date of the valuation was 20 May 2014.

Non-specialised artworks are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3
Artworks	-	13,326	-
Total	-	13,326	-

*Valuation of infrastructure*

Valuation of infrastructure assets has been determined by the Council's Asset Management Officer as at 30 June 2017.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	103,427
Bridges	-	-	18,946
Footpaths and cycleways	-	-	2,898
Drainage	-	-	15,065
Recreational, leisure and community facilities	-	-	239
Waste management	-	-	2,958
Parks, open space and streetscapes	-	-	625
Aerodromes	-	-	850
Other infrastructure	-	-	62
Total	-	-	145,070

Note 23

Property, infrastructure, plant and equipment (cont.)

*Description of significant unobservable inputs into level 3 valuations*

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$200 to \$2,400 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 depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 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.

	2017 \$'000	2016 \$'000
<b>Reconciliation of specialised land</b>		
Parks and reserves	18,347	18,342
<b>Total specialised land</b>	<b>18,347</b>	<b>18,342</b>



Notes to the Financial Report  
For the Year Ended 30 June 2017

		2017 \$'000	2016 \$'000	
<b>Note 24</b>	<b>Investment property</b>			
	Council does not have any investment properties.			
<b>Note 25</b>	<b>Intangible assets</b>			
	Software at cost	35	-	
	Accumulated amortisation	(5)	-	
	<b>Total intangible assets</b>	<b>30</b>	<b>-</b>	
<b>Note 26</b>	<b>Trade and other payables</b>			
	Trade payables	1,850	1,539	
	Accrued expenses	312	953	
	<b>Total trade and other payables</b>	<b>2,162</b>	<b>2,492</b>	
<b>Note 27</b>	<b>Trust funds and deposits</b>			
	Refundable deposits	247	222	
	Retention amounts	27	-	
	Other refundable deposits	434	415	
	<b>Total trust funds and deposits</b>	<b>708</b>	<b>637</b>	
	<i>Purpose and nature of items</i>			
	Refundable deposits - Deposits are taken by the Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.			
	Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.			
	Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.			
<b>Note 28</b>	<b>Provisions</b>			
		<b>Employee</b>	<b>Landfill restoration</b>	<b>Total</b>
		<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
<b>2017</b>				
	Balance at beginning of the financial year	2,835	6,829	9,664
	Additional provisions	1,012	185	1,197
	Amounts used	(902)	-	(902)
	Change in the discounted amount arising because of time and the effect of any change in the discount rate	(65)	(93)	(158)
	Balance at the end of the financial year	<b>2,880</b>	<b>6,921</b>	<b>9,801</b>
<b>2016</b>				
	Balance at beginning of the financial year	2,725	7,522	10,247
	Additional provisions	788	1,184	1,972
	Write-back of provision		(2,026)	(2,026)
	Amounts used	(782)	-	(782)
	Change in the discounted amount arising because of time and the effect of any change in the discount rate	104	149	253
	Balance at the end of the financial year	<b>2,835</b>	<b>6,829</b>	<b>9,664</b>

Note 28	Provisions (cont.)	2017	2016
		\$'000	\$'000
	<b>(a) Employee provisions</b>		
	<b>Current provisions expected to be wholly settled within 12 months</b>		
	Annual leave	917	861
	Long service leave	167	176
		<b>1,084</b>	<b>1,037</b>
	<b>Current provisions expected to be wholly settled after 12 months</b>		
	Annual leave	-	-
	Long service leave	1,522	1,501
		<b>1,522</b>	<b>1,501</b>
	Total current employee provisions	<b>2,606</b>	<b>2,538</b>
	<b>Non-current</b>		
	Long service leave	273	297
	Total non-current employee provisions	<b>273</b>	<b>297</b>
	Aggregate carrying amount of employee provisions:		
	Current	1,084	1,037
	Non-current	273	297
	Total aggregate carrying amount of employee provisions	<b>1,357</b>	<b>1,334</b>
	<b>(b) Land fill restoration</b>		
	Current	-	-
	Non-current	6,921	6,829
		<b>6,921</b>	<b>6,829</b>
Note 29	<b>Interest-bearing loans and borrowings</b>		
	<b>Current</b>		
	Borrowings - secured (1)	973	1,028
		<b>973</b>	<b>1,028</b>
	<b>Non-current</b>		
	Borrowings - secured (1)	4,723	5,263
	Finance leases	-	-
	<b>Total</b>	<b>5,696</b>	<b>6,291</b>
	(1) Borrowings are secured by a charge over general rates.		
	(a) The maturity profile for Council's borrowings is:		
	Not later than one year	973	1,028
	Later than one year and not later than five years	3,258	3,296
	Later than five years	1,465	1,967
		<b>5,696</b>	<b>6,291</b>

Note 30 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserves</b>			
<b>2017</b>			
<b>Property</b>			
Land	20,238	-	20,238
Buildings	5,710	-	5,710
	25,948	-	25,948
<b>Infrastructure</b>			
Roads	43,215	(10,042)	33,173
Bridges	969	4,096	5,065
Footpaths and cycleways	313	(313)	-
Drainage	449	1,758	2,207
Waste management	-	1,102	1,102
Artworks/ Plant	4,349	-	4,349
	49,295	(3,399)	45,896
<b>Total asset revaluation reserves</b>	<b>75,243</b>	<b>(3,399)</b>	<b>71,844</b>
<b>2016</b>			
<b>Property</b>			
Land	19,963	275	20,238
Buildings	10,791	(5,081)	5,710
	30,754	(4,806)	25,948
<b>Infrastructure</b>			
Roads	42,139	1,076	43,215
Bridges	1,575	(606)	969
Footpaths and cycleways	250	63	313
Drainage	449	-	449
Artworks	4,349	-	4,349
	48,762	533	49,295
<b>Total asset revaluation reserves</b>	<b>79,516</b>	<b>(4,273)</b>	<b>75,243</b>

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

	Balance at beginning of reporting period	Transfer from accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000
<b>(b) Other reserves</b>			
<b>2017</b>			
Resort and Recreation	34	26	60
Winton Land	10	-	10
Benalla Urban Grown Headworks Charge	78	-	78
Lake Mokoan Inlet Channel	210	69	279
<b>Total Other reserves</b>	<b>332</b>	<b>95</b>	<b>427</b>
<b>2016</b>			
Resort and Recreation	34	-	34
Winton Land	10	-	10
Benalla Urban Grown Headworks Charge	78	-	78
Lake Mokoan Inlet Channel	140	70	210
<b>Total Other reserves</b>	<b>262</b>	<b>70</b>	<b>332</b>

	2017 \$'000	2016 \$'000
<b>Note 31</b>		
<b>Reconciliation of cash flows from operating activities to surplus/(deficit)</b>		
Surplus/(deficit) for the year	2,530	211
Depreciation/amortisation	4,575	3,797
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(3)	(3)
Share of loss/(profit) in associate	238	51
Contributions - Non-monetary assets	-	(29)
Impairment write-down footpath and cycleways	507	-
Other non cash items	222	(432)
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(257)	89
(Increase)/decrease in prepayments	(47)	5
Increase/(decrease) in trade and other payables	(330)	435
Increase/(decrease) in employee provisions	45	110
(Increase)/decrease in inventories	10	(13)
Increase/(decrease) in provisions landfill rehabilitation provisions	191	(693)
Net cash provided by/(used in) operating activities	<u>7,681</u>	<u>3,528</u>
<b>Note 32</b>		
<b>Financing arrangements</b>		
Bank overdraft	-	-
Credit card facilities	100	100
Fixed rate loan facilities	5,696	6,291
Total facilities	<u>5,796</u>	<u>6,391</u>
Used facilities	5,716	6,312
Unused facilities	<u>80</u>	<u>79</u>

**Note 33 Commitments**

The Council has entered into the following commitments:

2017	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Recycling	218	31	83	-	332
Garbage collection	1,500	1,500	4,500	3,000	10,500
Organics	170	-	-	-	170
Consultancies	122	-	-	-	122
Cleaning contracts for council buildings	120	120	-	-	240
YMCA Benalla Aquatic Centre	120	120	120	-	360
Meals for delivery	100	24	-	-	124
<b>Total</b>	<b>2,350</b>	<b>1,795</b>	<b>4,703</b>	<b>3,000</b>	<b>11,848</b>
<b>Capital</b>					
Roads	48	-	-	-	48
Aerodrome	10	-	-	-	10
<b>Total</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>

2016	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Recycling	82	44	75	125	326
Garbage collection	1,500	1,500	3,000	9,000	15,000
Organics	170	170	-	-	340
Council election management	110	20	-	-	130
Consultancies	282	139	-	-	421
Cleaning contracts for council buildings	120	120	-	-	240
YMCA Benalla Aquatic Centre	107	107	321	-	535
Meals for delivery	100	33	-	-	133
<b>Total</b>	<b>2,471</b>	<b>2,133</b>	<b>3,396</b>	<b>9,125</b>	<b>17,125</b>
<b>Capital</b>					
Buildings	130	62	18	-	210
Roads	72	-	-	-	72
Aerodrome	418	-	-	-	418
<b>Total</b>	<b>620</b>	<b>62</b>	<b>18</b>	<b>-</b>	<b>700</b>



		2017 \$'000	2016 \$'000
<b>Note 34</b>	<b>Operating leases</b>		
	<b>(a) Operating lease commitments</b>		
	At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
	Not later than one year	158	259
	Later than one year and not later than five years	236	235
	Later than five years	-	-
		<u>394</u>	<u>494</u>

**(b) Operating lease receivables**

Council does not have any operating lease receivables.

**Note 35 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 categories, Vision MySuper/Vision Super Saver, receive 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 2017, this was 9.5% as required under Superannuation Guarantee legislation).

**Defined Benefit**

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers 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 Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

**Funding arrangements**

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

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 7.0% pa  
Salary information 4.25% pa  
Price inflation (CPI) 2.5% pa

**Note 35 Superannuation (cont.)**

Vision Super has advised that the estimated VBI at 30 June 2017 was 103.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

**Regular contributions**

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

**Funding calls**

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

**2016 Interim actuarial investigation surplus amounts**

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$40.3 million; and

A total service liability surplus of \$156 million.

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 2016. 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. Council was notified of the 30 June 2016 VBI during August 2016.

**2017 Full triennial actuarial investigation**

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

**Future superannuation contributions**

In addition to the disclosed contributions, Benalla Rural City Council has paid unfunded liability payments to Vision Super totalling \$410,692 during the 2016/17 year (2015/16 \$406,763). There were \$34,880 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2017. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$135,680.

**Note 36 Contingent liabilities and contingent assets**

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 in Note 35. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

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.

**Guarantees for loans to other entities**

No guarantees for loans to other entities are held.

**Contingent assets**

No contingent assets to report.

Note 37

Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 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 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. 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 36.

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

(d) Liquidity risk

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

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
  - have readily accessible standby facilities and other funding arrangements in place;
  - have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments; and
  - monitor budget to actual performance on a regular basis.
- 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 36, 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 29.

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

**Note 37 Financial instruments (cont.)**

**(e) Fair value**

*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.

**(f) Sensitivity disclosure analysis**

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

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 1.24%.

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.

**Note 38 Adjustments directly to equity**

Following a review of Infrastructure Asset registers with GIS mapping the Council found asset corrections to the value of \$3.540 million that were not reflected in the asset register. In 2017 these assets adjustments have been brought to account as an adjustment to the Council's accumulated surplus in the 2015-16 year.

	2017	2016
	\$'000	\$'000
<b>Found Assets</b>		
Infrastructure	-	3,418
Plant and Equipment	-	29
Other	-	93
<b>Total Assets Found</b>	<b>-</b>	<b>3,540</b>

The effect of Council recognising found assets in the 2016/17 year is an increase to that year's opening balance of accumulated surplus of \$3.540 million and an increase to property, infrastructure, plant and equipment of \$3.540 million.

		2017 No.	2016 No.
<b>Note 39</b>	<b>Related party disclosures</b>		
<b>(i)</b>	<b>Related Parties</b>		
	<i>Parent entity</i>		
	The Council is the parent entity.		
	<i>Subsidiaries and Associates</i>		
	Interests in subsidiaries and associates are detailed in note 16.		
<b>(ii)</b>	<b>Key Management Personnel</b>		
	Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
	<b>Councillors</b>		
	Councillor Justin King (Mayor) (July 2016 - Oct 2016)	1	1
	Councillor Barbara Alexander AO (July 2016 - 30 June 2017)	1	1
	Councillor Ellen Crocker (July 2016 - Oct 2016)	1	1
	Councillor Peter Davis (July 2016 - 30 June 2017)	1	1
	Councillor Suzy Martin (July 2016 - July 2016)	1	1
	Councillor Margaret Richards OAM (July 2016 - Oct 2016)	1	1
	Councillor Andrew Vale First elected (July 2016 - Oct 2016)	1	1
	Councillor Don Firth (Mayor) (Oct 2016 - 30 June 2017)	1	-
	Councillor Danny Claridge (Oct 2016 - 30 June 2017)	1	-
	Councillor Bernie Hearn (Oct 2016 - 30 June 2017)	1	-
	Councillor Scott Upston (Oct 2016 - 30 June 2017)	1	-
	Councillor Willie van Wersch (Oct 2016 - 30 June 2017)	1	-
	<b>Total Number of Councillors</b>	12	7
	<b>Chief Executive Officer and other Key Management Personnel</b>	3	1
	<b>Total Key Management Personnel</b>	15	8
<b>(iii)</b>	<b>Remuneration of Key Management Personnel</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
	Total remuneration of key management personnel was as follows:		
	Short-term benefits	678	383
	Post employment benefits	41	19
	Other long term benefits	14	5
	Termination benefits	-	-
	<b>Total</b>	<b>733</b>	<b>407</b>
	The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
		<b>2017 No.</b>	<b>2016 No.</b>
	\$1 - \$9,999	4	-
	\$10,000 - \$19,999	7	-
	\$20,000 - \$29,999	-	6
	\$40,000 - \$49,999	1	-
	\$60,000 - \$69,999	-	1
	\$150,000 - \$159,999	1	-
	\$160,000 - \$169,999	1	-
	\$220,000 - \$229,999	1	1
		15	8

**Note 39 Related party disclosures (cont.)**

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

*Councillor Peter Davis is the owner of Peter Davis Rural which supplies rural merchandise. Council entered into transactions totalling \$276 on terms and conditions no more favourable than those available in similar arm's length dealings.*

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

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

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

There are no loans to/from related parties.

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

There are no commitments to/from related parties.

**Note 40 Senior Officer Remuneration**

**2017**  
**\$'000**

**2016**  
**\$'000**

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$142,000.

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

	<b>2017</b>	<b>2016</b>
Income Range:	<b>No.</b>	<b>No.</b>
\$140,000-\$149,999	1	-
\$150,000-\$159,999	-	1
\$160,000-\$169,999	-	1
	<b>1</b>	<b>2</b>

**\$'000**

**\$'000**

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

143

317

**Note 41 Events occurring after balance date**

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



## Certification of the Financial Statements

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



Cathy Fitzpatrick CPA  
Principal Accounting Officer

Date : 27 September 2017  
Benalla

In our opinion the accompanying financial statements present fairly the financial transactions of Benalla Rural City Council for the year ended 30 June 2017 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



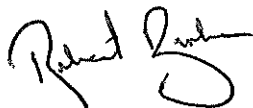
Mayor Don Firth  
Councillor

Date : 27 September 2017  
Benalla



Barbara Alexander  
Councillor

Date : 27 September 2017  
Benalla



Robert Barber  
Acting Chief Executive Officer

Date : 27 September 2017  
Benalla

# Independent Auditor's Report

## To the Councillors of Benalla Rural City Council

<b>Opinion</b>	<p>I have audited the financial report of Benalla Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2017</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• statement of capital works for the year then ended</li> <li>• notes to the financial statements, including a summary of significant accounting policies</li> <li>• certification of the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

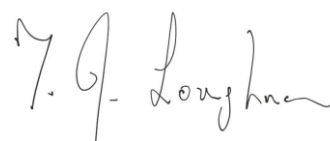
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

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

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

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MELBOURNE  
28 September 2017

Tim Loughnan  
*as delegate for the Auditor-General of Victoria*

Benalla Rural  
City Council

# ANNUAL REPORT 16-17



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**BENALLA**  
  
**RURAL CITY**