



BENALLA RURAL CITY COUNCIL

ANNUAL REPORT

14-15

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MESSAGE FROM THE MAYOR



AT THE HALF-WAY POINT OF OUR COUNCIL PLAN 2013-2017, WE HAVE MADE SIGNIFICANT PROGRESS TOWARDS THE GOALS THE COMMUNITY AND COUNCIL HAVE DEVELOPED TOGETHER.

The Civic Precinct Revitalisation Project, culminating in the opening of the Sir Edward “Weary” Dunlop Learning Centre, highlights the will of the community to get a new library, and the Council’s ability to partner with them and State and Federal governments to bring the project to fruition.

The Benalla Airport Master Plan, subject to obtaining funding, will see significant improvements to support current user groups and prepare the facility for the World Gliding Championships in January 2017.

Through the budget process we have undertaken a review of our core business services, and this process has complemented the work we are doing in our community initiatives:

- **“Shovel ready” projects**

We are looking to the future in preparing the Benalla Business Growth (Enterprise Park) Project, the Benalla Airport Master Plan, the Benalla Art Gallery Master Plan and Visitor Information Centre Redevelopment for an incoming Council to consider. This work will assist them to source funding from State and Federal governments should they choose to proceed.

- **The environment**

The Council continues to show leadership in environmental issues in 2014-15 with the adoption of an organics waste service for the urban area, the review of its Environment Policy, the undertaking of a Domestic Wastewater Strategy and the adoption of a Roadside Vegetation Strategy.

- **Art and culture**

The Benalla Art Gallery celebrated its 40th birthday this year and BPACC brought us world-class music and theatre with David Helfgott and Noni Hazlehurst presenting outstanding performances.

- **Community consultation**

I and the other Councillors have visited many of our rural communities through the Mayor and Councillors’ rural tour. I have been delighted to have so many people speak with us. This initiative will continue to supplement my Tuesday “open door” sessions with community members. A new Community Planning group has also been planned to engage with the community over our long-term future.

- **Business development**

The Council continues to invest in the economic life of our community, with our Economic Development and Tourism team encouraging business and employment opportunities through the Jobs, Skills and Volunteers Expo, accommodation seminars, assistance with the Benalla Street Art project, and the Victorian Regional Living Expo.

The year has had its challenges too. In December 2014 many in Benalla Rural City were affected by fires around Goorambat, Devenish and Stewarton. Many properties were damaged. Farming equipment, sheds and livestock were lost, but thankfully no homes or lives. The community came together to support one another, with the Council playing a significant role in the recovery operations. I want to personally thank everyone for their generosity during a difficult time.

We have a wonderful community with many dedicated and passionate people who are always willing to put their hands up to help. This community values all its members, and that culture is a great asset to the Rural City, and it is a great honour to serve as its Mayor.

Cr Justin King
Mayor

Homes are being constructed in the new subdivisions in the Urban Growth Corridor



CHIEF EXECUTIVE OFFICER OVERVIEW

BUILDING A BETTER BENALLA

IN THE LAST FIVE YEARS THE COUNCIL HAS ACHIEVED CONSIDERABLE SUCCESS IN SECURING FEDERAL AND STATE GOVERNMENT FUNDING FOR MAJOR CAPITAL PROJECTS IT WOULD OTHERWISE NOT BE IN A POSITION TO DEVELOP.

BENALLA URBAN GROWTH PROJECT

The project involved the construction of a storm water outfall drainage system to allow subdivision to occur on residential zoned land in the Benalla West area with the potential to unlock some 1200 housing allotments.



Civic Precinct Revitalisation Project

The financial year 2014/15 saw the completion of the Civic Precinct Revitalisation Project with the opening of the Civic Centre on 4 August 2014 and the official opening of the Sir Edward 'Weary' Dunlop Learning Centre on 25 October 2014 by Senator Bridget McKenzie on behalf of the Federal Government.



Customer Service Centre
Opened February 2014



Civic Centre
Opened August 2014



Sir Edward "Weary" Dunlop Learning Centre
Opened October 2014

This partnership project was funded by:

- Australian Government \$1.313 million
- Victorian Government \$2.244 million
- Benalla Rural City Council \$2.492 million



FINANCIAL MANAGEMENT



Following a \$5.502 million increase in its Landfill Rehabilitation Provision, the Council recorded an operating deficit of \$1.853 million for the year ended 30 June 2015. The increase in the provision saw the Council's Indebtedness ratio increase to 68 per cent resulting in a Medium Risk overall sustainability risk assessment rating by the Victorian Auditor-General.

This is at a time when fiscal pressures are increasing with other levels of government drawing back on funding to Local Government with significant impact on Rural Councils in particular.

During the year the Federal Government placed a freeze on indexation of financial assistance grants to Local Government for three years at an estimated cost to the Council of \$360,000.

The State Government has discontinued the Country Roads and Bridges Fund which provided Rural Councils with \$1 million each year for the past four years.

In addition the Local Government Infrastructure Fund has ceased which provided \$1.9 million to the Council over the four-year term of the Coalition Government.

PRIORITY PROJECTS

During the course of the year, project steering committees were active in progressing feasibility and design work for the Council's future Priority Major Projects in accordance with the Council Plan (2013-2017).

The Benalla Airport Master Plan was adopted by the Council on 4 February 2015 and the feasibility study for the Benalla Business Growth (Enterprise Park) Project was accepted by the Council on 1 April 2015.

A community engagement program has been devised for the future staged development of the Benalla Aquatic Centre and concept plans are nearing finalisation for the redevelopment of the Benalla Visitor Information Centre and the Benalla Art Gallery.

COMMUNITY SATISFACTION

The Annual Statewide Community Satisfaction Survey is a perception survey conducted independently on behalf of the State Government by JWS Research. It conducted the survey of 400 residents by telephone between 1 February 2015 and 30 March 2015 covering all age groups over 18 years. Benalla Rural City locked in the significant improvement in results it achieved in the 2014 survey recording 55 in overall performance against a state average of 60.

In relation to the overall Council direction, a score of 52 was achieved against a statewide average of 53.

Customer Service scored 65 against a state average of 70.

High scores were achieved in provision of Arts Centres 78 and Libraries 83.

The library score is naturally a direct consequence of the opening of the Sir Edward 'Weary' Dunlop Learning Centre which has experienced a 27% increase in library visitation.



2015 PRIORITY AREA PERFORMANCE

2014

Appearance of public areas	75	77
Elderly support services	72	76
Recreational facilities	69	69
Waste management	69	72
Emergency & disaster mngt	69	69
Family support services	67	72
Traffic management	66	68
Community & cultural	66	69
Parking facilities	63	64
Disadvantaged support services	62	66
Environmental sustainability	60	60
Informing the community	56	58
Tourism development	54	58
Consultation & engagement	52	51
Lobbying	52	53
Town planning policy	52	49
Sealed roads	52	53
Community decisions	51	n/a
Slashing & weed control	49	52
Local streets & footpaths	48	50
Unsealed roads	42	44

Scores declined significantly (in orange) in:

- Elderly support
- Family support
- Disadvantaged support
- Tourism development

Areas identified for improvement include:

- Community consultation
- Business development
- Sealed and unsealed roads maintenance



**THE WINTON
WETLANDS MOKOAN
HUB AND CAFÉ WAS
OFFICIALLY OPENED
THIS YEAR.**

NORTH EAST VICTORIA TOURISM

The North East Victoria Tourism Board which was established on 1 July 2010, of which the Council was a Foundation Member along with Alpine, Indigo, Mansfield and Towong Shires and the Rural City of Wangaratta together with Falls Creek, Mount Hotham and Mount Buller Alpine Resorts, has now been in operation for five years.

Many foundation projects, strategies and plans have been delivered and engagement levels with tourism operators is high.

The next three-year strategic plan will see a more mature organisation with an Arts and Culture key product pillar to be introduced. This will be particularly beneficial for Benalla as it will provide a spotlight on the Benalla Art Gallery being the sole Regional Art Gallery in North East Victoria.


Also pleasing is the inclusion of the Winton Wetlands in the Rail Trail linkages under the cycle product pillar.

The Winton Wetlands Mokoan Hub and Café was officially opened by Jaclyn Symes MP Member for Northern Victoria on 16 May 2015 on behalf of the State Government. This development represents the first sign of significant physical infrastructure which will encourage visitors to come and explore and enjoy the site. The bicycle path link from Benalla to the Wetlands is under construction and nearing completion.

ACKNOWLEDGMENT

In conclusion, I wish to thank the Council for its ongoing support of management and staff and for the stability and confidence it gives to the community.

I also acknowledge the commitment and diligence of the Leadership Team in what has been collectively achieved in the 2014/15 year.



Tony McIlroy
Chief Executive Officer





27%

THE INCREASE IN VISITS TO THE BENALLA LIBRARY SERVICE SINCE THE OPENING OF THE SIR EDWARD "WEARY" DUNLOP LEARNING CENTRE.

A YEAR OF ACHIEVEMENTS AND CHALLENGES

CAPITAL AND OPERATIONAL HIGHLIGHTS

CIVIC PRECINCT PROJECT PROVIDES NEW LIBRARY

The completion of the Civic Precinct Revitalisation Project culminated in the opening of the Sir Edward "Weary" Dunlop Learning Centre.

The clever use of existing structures funded largely by State and Federal grants saw the Customer Service Centre relocated to the former Australia Post sorting centre in Bridge Street and the refurbishment of the heritage listed Council Chambers to become the new Civic Centre. This made way for the extensive renovation of the former Civic Centre for the Learning Centre. A new car park in Mair Street completed in June finished the project. The relocation of Council services to the Civic Precinct has seen a revitalisation of the West End of the CBD.

BUSHFIRES HIT COMMUNITY HARD

In December 2014, bushfires devastated properties and livestock around Goorambat, Devenish and Stewarton, with 91 properties affected. The Council provided many different forms of support to the community in the aftermath, with the opening of the Evacuation and Relief Centre, communications support to the CFA and support for stock feed programs and other relief.

In the longer term, the Council assisted with a large community recovery day at Baileys Winery in June, and has facilitated the development of a video by community members called "Rural Fire Tales" to help people heal through telling their stories, as part of the Community Resilience – Local People Making Local Solutions program.

ROADS AND BRIDGES

The Council:

- Fixed 1,015 defects of roads, footpaths and bridges
- Graded 607km out of 777km of unsealed roads
- Graded 148km out of 535km of sealed road shoulders
- Completed gravel road re-sheeting on 1.7km of Basin Road and 1km of Steel Road
- Completed culvert and headwall installation and stabilisation work on Hartridge Road
- Undertook investigation to determine refurbishment/reconstruction of Gunns Lane bridge
- Completed road widening, kerb and channel and guardrail works along Dobson Road and Davies Road
- Completed bus stop constructions at various locations for Public Transport Victoria (PTV)
- Installed temporary concrete barrier kerb at the intersection of Dunlop Place and Arundel Street
- Completed the Mair Street Car Park
- Reconstructed Ackerly Avenue Bridge
- Replaced 42 lineal meters of kerb and channel to improve drainage throughout Benalla, including Nunn Street and Carrier Street
- Replaced 124m² of footpaths at various locations to reduce trip hazards, including Bridge Street, Victoria Street and Salisbury Street
- Carried out stabilisation works on Ackerly Avenue, Carrier Street, Faithful Street, Fawckner Drive, Goodwin Street, Lowry Place, Mackellar Street, Saleyards Road and Witt Street
- Prepared and resealed 16km of the sealed road network.



OTHER PROJECTS

- Tatong and Swanpool Community infrastructure projects
- Secured the former Lake Mokoan Inlet Channel, south of Sydney Road as a potential drainage outfall
- Obtained funding for drainage design across Enterprise Park, Kennedy Creek and Murray Road, Benalla
- Completed the refurbishment of BPACC
- Upgrade to the Churchill Reserve Netball Courts

CAPITAL GRANTS

Sir Edward "Weary" Dunlop Learning Centre.....	\$937,150
Civic Centre	\$14,400
Benalla Airport Master Plan.....	\$11,000
Roads to Recovery.....	\$685,436
Enterprise Park.....	\$15,000
Country Roads and Bridges Initiative....	\$1,000,000
BPACC Refurbishment	\$23,700
Tatong Community Hub	\$169,000
Swanpool Memorial Hall.....	\$27,000
Benalla Adventure Park.....	\$160,000
Churchill Netball Courts	\$72,000
Dobson Road.....	\$140,828
Other.....	\$31,682
Total.....	\$2,350,046



STREET ARTIST
ADNATE WAS INVITED
TO WORK DIRECTLY
ONTO THE WALLS OF
THE BENALLA ART
GALLERY

THE YEAR IN REVIEW



JULY

- Council Plan review shows good progress on priorities
- Small Plates Project delivers healthy menu at Thoona Hotel
- **L2P Learner Driver program to be run by the Council**
- 2014-15 Budget adopted
- Benalla Nude People's Choice announced
- Roadside Vegetation Management Plan released for consultation



AUGUST

- Home stretch for Civic Precinct Revitalisation Project
- Small Business Festival
- CEO reappointed
- **Bright, bold and fluid: Abstract exhibition at Benalla Art Gallery (Image Acrylic on canvas, 250 x 100 cm. Courtesy the artist and Sullivan + Strumpf, Sydney.**
- Lounge furniture to be recycled at Benalla Landfill and Resource Recovery Centre



SEPTEMBER

- **Watts Working Better streetlight replacement project commences**
- Andre Rieu in global cinema event at BPACC
- Expo brings job seekers and employers together in Benalla
- Council welcomes kindergarten funding announcement
- Benalla Airport Master Plan draft released for consultation
- Mayor welcomes Australian Munitions contract renewal



OCTOBER

- **Botanical Gardens funding announcement**
- Emergency services expo to help residents be prepared
- ANZAC project launched
- Visitor Information Centre gets facelift with internal refurbishment
- Benalla Festival music program announced
- Sir Edward "Weary" Dunlop Learning Centre opens



NOVEMBER

- Cr Justin King elected Mayor
- **Benalla Festival provides a huge program of events**
- BPACC collects seeds of local stories with drama production project
- FRISK Festival comes to Benalla
- Environment study grant offered



DECEMBER

- Council releases Heatwave plan
- **Council provides recovery services for bushfire victims**
- Benalla Art Gallery Free Art School to commence



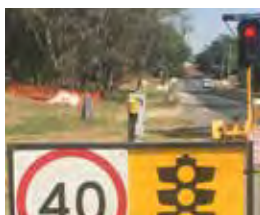
JANUARY

- Grease movie singalong at BPACC
- **Australia Day activities celebrate the heart of the country**
- Mayor calls ACCC to account on petrol prices
- Street artists to paint Gallery walls



FEBRUARY

- Benalla Talks Farming Forum brings farmers together
- Youth-led events to get funds in grants program
- **Accessible drink stations encourage healthy living**
- New Learning Centre enjoys big jump in visits
- Governor General visits Benalla Rural City
- Call for more memorabilia for ANZAC exhibition



MARCH

- Mayor opens office door for public visits
- Environment Strategy Review commences
- **Work commences on Ackerly Avenue Bridge**
- Friends of Benalla Library donate \$25,000 to library
- Business bus tour to promote tourism opportunities a success
- BPACC celebrates completion of refurbishment



APRIL

- Business Growth (Enterprise Park) project at "shovel ready" status
- Council congratulates Street Art Committee
- Benalla Art Gallery celebrates 40 years
- Forum discusses future of Saleyards
- **Drums of Time – ANZAC tribute on stage at BPACC**
- ANZAC community exhibition displays a treasure trove of memories



MAY

- Procurement cooperation in waste services leads to environmental and cost savings
- Council reports high performance in planning permits
- **Survey gives guidance on improving facilities for parents**
- 2015-16 Budget released for consultation



JUNE

- Domestic Wastewater Plan consultation commences
- **David Helfgott launches international tour in Benalla**
- Planet Ark founder speaks to local businesses about saving energy costs
- Plans announced for a Community Plan group to be formed
- New organic waste service rolls out
- Tatong and Swanpool community projects complete

FINANCIAL SUMMARY

Financial snapshot	2014/15 \$'000	2013/14 \$'000	2012/13 \$'000
Total Revenue	\$30,793	\$25,872	\$26,499
Total Expenses	\$32,646	\$26,339	\$24,568
Surplus (Deficit)	(\$1,853)*	(\$467)	\$1,931
Net Current Assets	127%	122%	165%
Total Assets	\$224,951	\$219,702	\$201,798
Total Liabilities	\$19,873	\$14,793	\$14,295
Net Assets	\$205,078	\$204,909	\$196,503
Rates	\$14,724	\$14,113	\$13,449
Rates/Adjusted Underlying Revenue	50%	72%	64%
Indebtedness (Non Current Liabilities / Own sourced revenue)	68%	47%	50%
Capital Projects	\$6,166	\$6,474	\$6,526

* The deficit is largely due to the increase in the landfill rehabilitation provision



THE RELOCATION
OF COUNCIL
SERVICES TO THE
CIVIC PRECINCT HAS
CONTRIBUTED TO A
REVITALISATION OF
THE WEST END OF
THE CBD.

ABOUT BENALLA RURAL CITY COUNCIL

OUR MUNICIPALITY

Population 13,597 (2015)

Area 235,225 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 7,835

Number of Council employees 126 (equivalent full time)

Number of Councillors 7

Benalla faces many of the common challenges of regional Victorian towns. However, Advancing Benalla is keenly focused on strategies assisting Benalla to prepare for a dynamic and exciting future.

The net population has remained static from 2002, in contrast to the average for the rest of regional Victoria, which had an average decline in population of 0.5%pa. Our population has a greater proportion of older people (45% aged 50 and over) than for regional Victoria (38%).

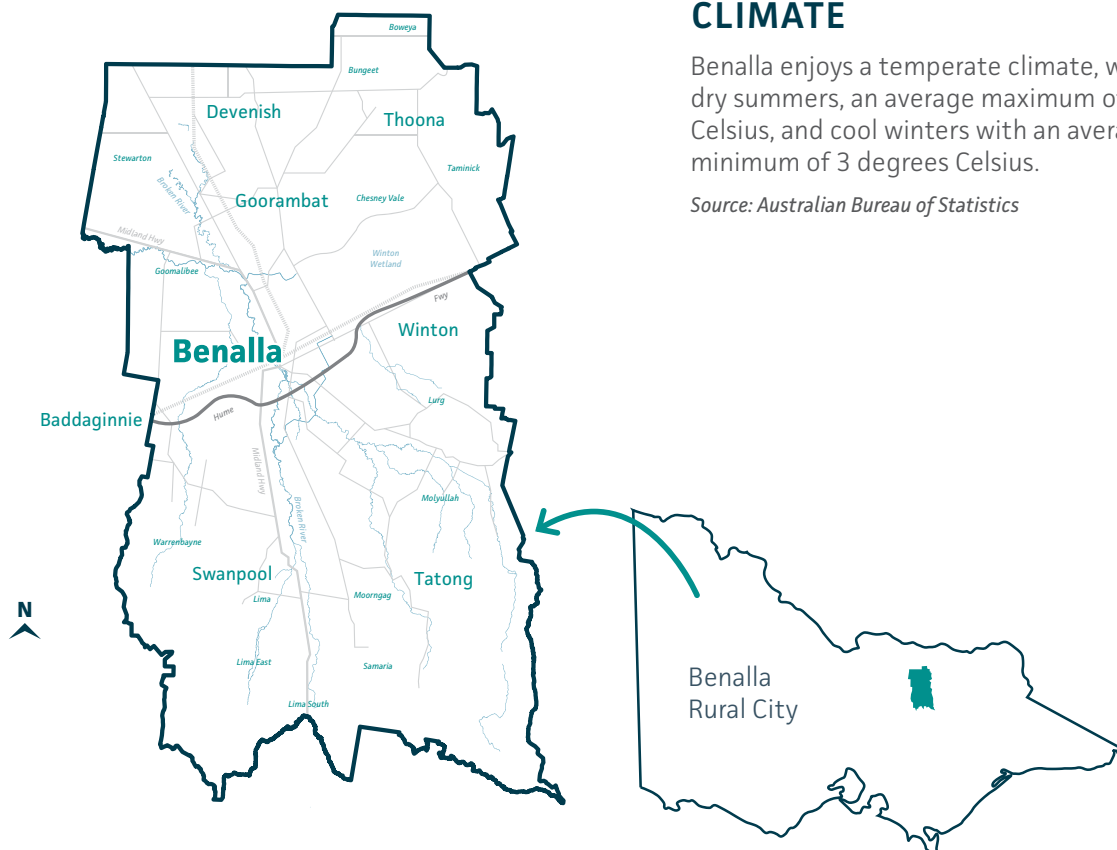
We have a lower percentage of families with children than for the rest of Victoria.

Our workforce of 6,331 persons in 2011 was marginally higher than in 2006 (6,227).

CLIMATE

Benalla enjoys a temperate climate, with warm dry summers, an average maximum of 31 degrees Celsius, and cool winters with an average daily minimum of 3 degrees Celsius.

Source: Australian Bureau of Statistics



WE WILL PROVIDE
STRONG, CARING
AND INNOVATIVE
LEADERSHIP.



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 meet 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 Justin King

First elected: October 2012



Cr Barbara Alexander, AO

First elected: November 2008



Cr Ellen Crocker

First elected: February 2013



Cr Peter Davis

First elected: November 2005
Re-elected: November 2008 and October 2012



Cr Suzy Martin

First elected: November 2008
Re-elected: October 2012



Cr Margaret Richards

First elected: October 2012



Cr Andrew Vale

First elected: June 2013



OUR ORGANISATION

Senior officers reporting directly to the CEO:

Robert Barber

General Manager Corporate and Community

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

Veronica Schilling

General Manager Development and Environment

- Infrastructure
- Facilities
- Planning and Development
- Compliance
- Environment and Waste
- Emergency Management

Jeanie Hall

Manager Economic Development and Tourism

- Economic Development
- Business Development
- Tourism

Jilian Mulally

Manager Arts Communication and Events

- Communication
- Events
- Performing Arts
- Art Gallery



CHIEF EXECUTIVE OFFICER

Tony McIlroy



OUR WORKFORCE

EQUAL EMPLOYMENT OPPORTUNITY

Benalla Rural City Council is committed to providing a workplace free of all forms of unlawful discrimination including bullying and harassment also to provide equal opportunity for all staff. The organisation has policies and procedures in place that ensure employment practices are free from discrimination and expects all staff to adhere to these related employment policies.

Our policies and practices aim to ensure that there is no discrimination relating to the attributes listed under the Equal Opportunity Act 2010 such as race, sex, marital status, parental status, physical and mental impairment, age, religious, disability or political affiliation.

Actions taken over the past 12 months to implement the Equal Opportunity Program include the inclusion of the Equal Opportunity – Anti-Discrimination, Harassment and Bullying policy in the Council's New Employee Induction program and discussions on the policy at departmental meetings.

Indicators to measure effectiveness of our Equal Opportunity Program have not yet been developed. Indicators to be used in 2015/16 include percentage of new and existing employees achieving equal opportunity training and the number of contact officers per number of employees.

There were no breaches of the Equal Opportunity Act 2010 in the 2015/16 financial year.

Employees by employment type and gender:

Employee type/gender	Number	Organisation EFT*	Budgeted Organisation EFT
Permanent full time – female	30	30	30
Permanent full time - male	50	50	50
Permanent part time - female	62	35.3	35.3
Permanent part time - male	7	3.2	3.2
Vacant	0	0	6.7
Casual – female	30	0	0
Casual - male	9	0	0
Total	149	118.5	125.2

*Equivalent Full Time, excluding vacancies, temporary positions, funded positions and casual staff

Employees by banding classification:

Employment Classification	Female EFT	Male EFT	Vacant	Total EFT
Band 2	0.54	4		4.54
Band 3	13.5	10.3		23.8
Band 4	14.3	9.4	0.6	24.3
Band 5	7.8	7	2.6	17.4
Band 6	13.7	6.5	0.5	20.7
Band 7	6.7	6	2	14.7
Band 8	1	4	1	6
Band not applicable.	7.8	6		13.8
Total EFT	65.34	53.2	6.7	125.24



**THE ORGANISATION
IS COMMITTED TO
INVESTING IN THE
PROFESSIONAL
AND PERSONAL
DEVELOPMENT OF
OUR STAFF.**

HEALTH AND SAFETY

OH & S reports are provided to the leadership team on a regular basis, highlighting incidents and trends. This allows for quick responses to issues emerging, through training and communication.

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.

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. The 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.

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

ENTERPRISE AGREEMENT

In March 2015, an Enterprise Bargaining group comprising management, workplace union delegates and union industrial officers was established to negotiate a new Enterprise Agreement for council staff. Negotiations are progress and on the completion of a successful negotiation, the document will be presented to Fair Work Australia for approval and adoption.

FAMILY VIOLENCE

Benalla Rural City 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.

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.

OUR DEPARTMENTS



COMMUNITY DEVELOPMENT

The Community Development Department engages with the community to strengthen capacity, increase resilience and develop and promote Benalla Rural City's liveability.

The Community Development Department includes the Advancing Country Towns Project, Building Inclusive Communities Program, Resilient Community Program, L2P Program, and other programs such as Rural Outreach, the ANZAC Commemorative event and FReeZA.

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 program delivers services to the frail aged and younger people with disabilities and carers who are assessed as eligible for Home and Community Care (HACC) Services. Services include Home Care, Personal care, Respite care, Social Support, Food Services, Home Maintenance and Volunteer 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. Services include Maternal and Child Health, Family Day Care, Family Services and Family Liaison.

PEOPLE AND PERFORMANCE

The People and Performance Department includes payroll, risk management, information systems, human resources, information management and customer service. The department ensures a responsive customer focused service to the community and that all staff deliver their programs and services in a professional and timely manner.

ECONOMIC DEVELOPMENT AND TOURISM

The Economic Development and Tourism Department supports the economic growth, vitality and sustainability of businesses in Benalla Rural City by delivering the actions in the Business and Tourism Growth Strategy.

It also plays a lead role in providing tourism services and growing the visitor economy in Benalla. It manages the Visitor Information Centre which opens seven days a week supported by 24 volunteers.





**THE COUNCIL IS
RESPONSIBLE FOR
MAINTAINING PUBLIC
GARDENS AND
RESERVES AND WORKS
WITH COMMUNITY
GROUPS TO DO SO.**

DEVELOPMENT AND ENVIRONMENT

The Development Department provides development services to residents and ratepayers, prospective new residents and 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.

Development Department

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

Infrastructure

The Infrastructure Department delivers operations including maintenance services to meet responsibilities under the Road Management Act and emergency response, asset management and engineering including delivery of civil engineering reports for Council and community developments and capital projects.

Facilities

The Facilities Department manages the strategic and operational management of key Council assets including parks, gardens and reserves, Council buildings and grounds, recreation and open space management and planning, emergency management and Geographical Information Systems.

FINANCE

The Finance Department works to ensure 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
- Fleet management.

ARTS COMMUNICATIONS AND EVENTS

Benalla is renowned for its vibrant and diverse offering of arts and culture, contributing to the liveability of the region. The Arts, Communications and Events department leads broad artistic programming and engagement through its delivery of the Benalla Art Gallery, Benalla Performing Arts and Convention Centre, Benalla Festival and support for many other local events.

The Arts, Communications and Events department includes management of the Benalla Art Gallery, Benalla Performing Arts and Convention Centre, Communications, Events and Library Services.



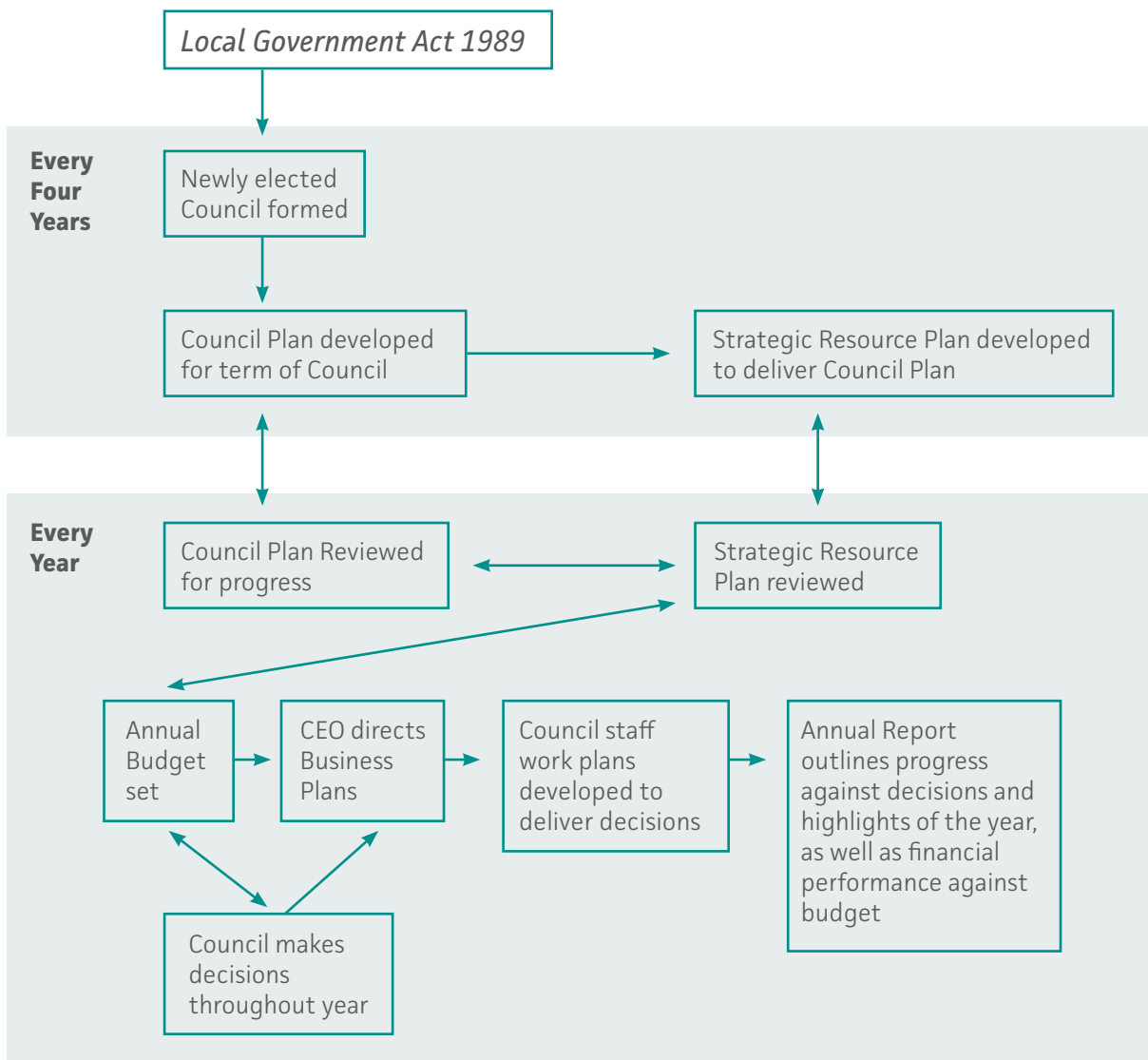
OUR PERFORMANCE

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.





GETTING THE JOB DONE

THE COUNCIL MEASURES ITS PROGRESS BY REPORTING AGAINST ITS STRATEGIC OBJECTIVES AND PRESCRIBED SERVICE PERFORMANCE INDICATORS.

SERVICE PERFORMANCE INDICATORS

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

Service/indicator/measure	2014/15	Material Variation
Aquatic Facilities		
Satisfaction User satisfaction with aquatic facilities. (User satisfaction with how Council has performed on provision of aquatic facilities)	0.00	
Service standard Health inspections of aquatic facilities. (Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities)	4.00	
Health and Safety Reportable safety incidents at aquatic facilities. (Number of WorkSafe reportable aquatic facility safety incidents)	1.00	
Service cost Cost of indoor aquatic facilities (Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities)	\$5.63	
Service Cost Cost of outdoor aquatic facilities (Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities)	\$5.63	
Utilisation Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population)	7.01	

Service/indicator/measure	2014/15	Material Variation
Animal Management		
Timeliness		
Time taken to action animal management requests (Number of days between receipt and first response action for all animal management requests / Number of animal management requests)	Transitional measure	
Service standard		
Animals reclaimed (Number of animals reclaimed / Number of animals collected) x100	48.14%	
Service cost		
Cost of animal management service (Direct cost of the animal management service / Number of registered animals)	\$55.94	
Health and safety		
Animal management prosecutions (Number of successful animal management prosecutions)	10.00	
Food Safety		
Timeliness		
Time taken to action food complaints (Number of days between receipt and first response action for all food complaints / Number of food complaints)	Transitional measure	
Service standard		
Food safety assessments (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>) x100	14.29%	
Service cost		
Cost of food safety service (Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>)	\$760.98	
Health and safety		
Critical and major non-compliance outcome notifications (Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises) x100	100.00%	

Service/indicator/measure	2014/15	Material Variation
Governance		
Transparency		
Council decisions made at meetings closed to the public		
(Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors) x100	15.82%	
Consultation and engagement		
Satisfaction with community consultation and engagement	52.00	
Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement		
Attendance		
Councillor attendance at council meetings		
(The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election) x100	88.89%	
Service cost		
Cost of governance	\$14,213.86	
(Direct cost of the governance service / Number of Councillors elected at the last Council general election)		
Satisfaction		
Satisfaction with Council decisions	51.00	
(Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community)		
Home and Community Care (HACC)		
Timeliness		
Time taken to commence the HACC service		
(Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service)	0.94 days	
Service standard		
Compliance with Community Care Common Standards		
(Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards) x100	0.00%	
Service cost		
Cost of domestic care service	Transitional measure	
(Cost of the domestic care service / Hours of domestic care service provided)		
Service cost		
Cost of personal care service	Transitional measure	
(Cost of the personal care service / Hours of personal care service provided)		

Service/indicator/measure	2014/15	Material Variation
Home and Community Care (HACC) Cont'd		
Service cost		
Cost of respite care service	\$0.39	
(Cost of the respite care service / Hours of respite care service provided)		
Participation		
Participation in HACC service	39.1%	
(Number of people that received a HACC service / Municipal target population for HACC services) x100		
Participation		
Participation in HACC service by CALD people	43.9%	
(Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services) x100		
Libraries		
Utilisation		
Library collection usage	2.90	
(Number of library collection item loans / Number of library collection items)		
Resource standard		
Standard of library collection	54.59%	
(Number of library collection items purchased in the last 5 years / Number of library collection items) x100		
Service cost		
Cost of library service	\$5.32	
(Direct cost of the library service / Number of visits)		
Participation		
Active library members	24.17%	
(Number of active library members / Municipal population) x100		
Maternal and Child Health (MCH)		
Satisfaction		
Participation in first MCH home visit	101.59%	
(Number of first MCH home visits / Number of birth notifications received) x100		
Service standard		
Infant enrolments in the MCH service	90.48%	
(Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received) x100		

Service/indicator/measure	2014/15	Material Variation
Maternal and Child Health (MCH) Cont'd		
Service cost Cost of the MCH service (Cost of the MCH service / Hours worked by MCH nurses)	Transitional measure	
Participation Participation in the MCH service (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x100	82.48%	
Participation Participation in the MCH service by Aboriginal children (Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x100	85%	

Service/indicator/measure	2014/15	Material Variation
Roads		
Satisfaction of use Sealed local road requests (Number of sealed local road requests / Kilometres of sealed local roads) x100	16.33	
Condition Sealed local roads below the intervention level (Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads) x100	97.85%	
Service cost Cost of sealed local road reconstruction (Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed)		No local road reconstruction was undertaken.
Service Cost Cost of sealed local road resealing (Direct cost of sealed local road resealing / Square metres of sealed local roads resealed)	\$4.55	
Satisfaction Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	52	

Service/indicator/measure	2014/15	Material Variation
Statutory Planning		
Timeliness		
Time taken to decide planning applications (The median number of days between receipt of a planning application and a decision on the application)	24 days	
Service standard		
Planning applications decided within 60 days (Number of planning application decisions made within 60 days / Number of planning application decisions made) x100	93.96%	
Service cost		
Cost of statutory planning service (Direct cost of the statutory planning service / Number of planning applications received)	\$2,882.47	
Decision making		
Council planning decisions upheld at VCAT (Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x100	0	There were no decisions taken to VCAT.
Waste Collection		
Satisfaction		
Kerbside bin collection requests (Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x1000	46.93	
Service standard		
Kerbside collection bins missed (Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts) x10,000	2.06	
Service cost		
Cost of kerbside garbage bin collection service (Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins)	\$110.86	
Service cost		
Cost of kerbside recyclables collection service (Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins)	\$90.31	
Waste diversion		
Kerbside collection waste diverted from landfill (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100	31.81%	

Service/indicator/measure	2014/15	Material Variation
Economic Development (optional)		
Participation		
Participation in business development activities (Number of businesses with an ABN in the municipality that participate in a business development activity / Number of businesses with an ABN in the municipality) x100	Transitional measure	
Service standard		
Delivery of planned business development activities (Number of business development activities delivered / Number of planned business development activities) x100	Transitional measure	
Service cost		
Cost of economic development service (Direct cost of delivering the economic development service / Number of businesses with an ABN in the municipality)	Transitional measure	
Economic activity		
Percentage change in number of businesses (Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year) x100	Transitional measure	
Immunisation (optional)		
Satisfaction		
User satisfaction with immunisation service (User satisfaction with how Council has performed on provision of children immunisation service)	Transitional measure	
Service standard		
Vaccination of children by Council (Percentage of children fully vaccinated by Council)	Transitional measure	
Return of consent cards by secondary school children (Number of secondary school consent cards returned / Total number of secondary school children) x100	Transitional measure	

Service/indicator/measure	2014/15	Material Variation
Service cost		
Cost of immunisation service (Direct cost of immunisation service / Total number of vaccinations)	Transitional measure	
Participation		
Vaccination of children (Percentage of children who are fully vaccinated in each age group)	Transitional measure	
Vaccination of secondary school children (Number of secondary school children fully vaccinated by council / Total number of secondary school children) x100	Transitional measure	
Sports Grounds (optional)		
Utilisation		
Structured activities on sports fields (Number of structured activities / Total number of sports fields)	0.00	
Condition		
Condition of sports fields (Number of days sports fields are unavailable for structured activities due to condition excluding maintenance and reconstruction/redevelopment / Total number of sports fields)	0.00	
Service cost		
Cost of sports grounds (Direct cost of sports grounds / Total number of sports fields)	\$0.00	
Availability		
Population per sports field (Municipal population / Total number of sports fields)	0.00	

83

THE NUMBER OF
EVENTS SUPPORTED
BY THE COUNCIL IN
2014-15.



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 2014/15 budget.

Major Initiatives:

Progress:

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.

Complete. The Sir Edward 'Weary' Dunlop Learning Centre opened in October 2014.

Identify opportunities and implement initiatives to develop community strength, capacity, independence and resilience.

Ongoing. Key 2015/16 initiatives included Community Support Program, Benalla Talks Farming Forum and the Local People Making Local Solutions program.

Implement the Benalla Rural City Youth Strategy to ensure a whole of Council and community approach to youth-related issues.

Ongoing. Strategy being implemented by Benalla Youth Services Provider Network. Mental health forum held in July 2014 and "Wots 4 for Me" program implemented.

Establish a Council Youth Advisory Committee.

Ongoing. Youth Action Committee to be established in 2015/16.

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.

Ongoing. Development of strategy not progressed in 2014/15.

Other Initiatives:

Release of Benalla Art Gallery Special Committee Strategic Plan.

Complete.

Adoption of an Early Years Plan.

Benalla Rural City Early Years Plan 2013-2017 adopted by the Council on 10 December 2014.

Formation of a Volunteers Advisory Committee.

Committee formed and first meeting held April 2015.

The following statement reviews the performance of the Council against the Council Plan 2013-2017 including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator / Measure	Target	Result	Comments
Community satisfaction rating for our performance in providing youth services and activities	60	50	Sir Edward "Weary" Dunlop Learning Centre opened October 2014
Community satisfaction rating for our performance in providing elderly support services	71	72	First time measured, target to be reviewed
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	66	
Community satisfaction rating for our performance in providing art centres	59	78	
Community satisfaction rating for our performance in providing libraries	59	83	
Community satisfaction rating for our performance in community development activities	60	60	
Community satisfaction rating for our performance in emergency and disaster management	60	69	
Installation of a digital projector at the Benalla Performing Arts and Convention Centre Cinema	Installed	Installed	
Pilot at least one initiative a year that increases access education, training and employment opportunities for young people	0		
Conduct biannual youth forum	0		
% of infants fully breastfed at three months	45%		Awaiting results of the Victorian Population Health Survey 2014.
% who help out as a volunteer	28%		Awaiting results of the Victorian Population Health Survey 2014.

Strategic Indicator / Measure	Target	Result	Comments
% of year 9 students who attain national minimum standards in reading, writing and numeracy	90%		Awaiting results of the Victorian Population Health Survey 2014.
% of children fully immunised at 24-27 months	86%		Awaiting results of the Victorian Population Health Survey 2014.
% of persons overweight or obese	54%		Awaiting results of the Victorian Population Health Survey 2014.
% of persons who do not meet fruit and vegetable dietary guidelines	45%		Awaiting results of the Victorian Population Health Survey 2014.
% of persons reporting a high/very high degree of psychological distress	10%		Awaiting results of the Victorian Population Health Survey 2014.
% of persons who do not meet physical activity guidelines	28%		Awaiting results of the Victorian Population Health Survey 2014.

The following statement reviews the performance of the Council against services funded in 2014-15 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost		
		Actual \$'000	Budget \$'000	Variance \$'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.	611	533	(78)
Benalla Art Gallery	The Benalla Art Gallery is a Council owned and operated facility providing cultural and tourism benefits to the Rural City.	313	299	(14)
Benalla Performing Arts and Convention Centre	Management and Operation of the Benalla Performing Arts and Convention Centre (BPACC).	323	215	(108)
Community Development	Coordinates and supports community planning and development activities. Engages with young people and partners with service providers.	571	429	(142)
Community Services	<p>Delivers a range of services to enhance, independence, dignity, connectedness, health and wellbeing.</p> <p>The services provided are available to residents of all ages, cultures and socio-economic backgrounds.</p> <p>Aged and Disability Services:</p> <ul style="list-style-type: none"> • Food Services • Home and Community Care Assessment Services • Homecare • Planned Activity Groups • Volunteer Transport <p>Family and Children Services:</p> <ul style="list-style-type: none"> • Enhanced Home Visiting • Family Day Care • Family Services • In-Home Family Day Care • Maternal and Child Health 	885	1,164	279

9,739

**THE NUMBER OF
HOURS OF HOME AND
COMMUNITY CARE
PROVIDED TO OUR
CLIENTS.**



ARTS AND CULTURE

FREE ART SCHOOL SETS THE STANDARD

Under its new Director the Benalla Art Gallery has been reinvigorated with a diverse program of engagement with the wider community. Industry has recognised this engagement model as an example of the best practice in this space.

As part of the Gallery's Free Art School, street artist Adnate was invited to work directly onto the walls on the Gallery, giving the Benalla community a taste of street art and leading into the Benalla Street Art Festival in March in which nine walls around Benalla were painted.

EVENTS

The events team supported the delivery of 83 events across Benalla Rural City through the year including 46 in the Benalla Festival, a significant increase from previous years.

The Benalla Festival was held from 1 – 9 November. A Hay Bale Art touring trail was introduced as a way to link Benalla to the rural townships. The Festival attracted close to 20,000 people who participated in some way, making it the largest event in the area.

This year we welcomed 12 new Australian Citizens at Citizenship Ceremonies held at the Benalla Art Gallery and at the Benalla Performing Arts and Convention Centre on Australia Day.

BPACC

Benalla audiences responded to a sell-out performance by pianist David Helfgott, the headline act for the year. The high standard of theatre arts was complemented by a 20% increase in cinema patronage from the previous year, with more than 10,000 people attending the Benalla Cinema in a single year for the first time. This is due to the installation of the digital cinema projector and the screening of later release movies.



LIBRARY SERVICES

More than 300 people attended the opening of the Sir Edward "Weary" Dunlop Learning Centre on 24 October 2014 by Senator Bridget McKenzie, Nationals Senator for Victoria. Since the opening of the new facility, the Learning Centre has seen a 27% increase in total visits compared to a 4.5% increase across the rest of the High Country Library Corporation service area.

The building hosted a visit from the Governor General in February, and its amenity was further improved by the installation of video conferencing equipment in the Pat Claridge meeting room.



13,660

The number of meals
provided through Meals
on Wheels.

PROMOTING A HEALTHY COMMUNITY

The Council supports the health and wellbeing of residents of every age through:

- Developing, reviewing and implementing the Early Years Plan and the Positive Ageing Strategy
- Implementing 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
- Examining ways to promote and support ongoing volunteering by people of all ages and increase recognition of the valuable contribution by volunteers to our community
- Developing plans and strategies that target specific health and wellbeing needs within our community.
- Supporting a range of existing programs and initiatives aimed at promoting good nutritional practices and healthier diets.

AGED AND DISABILITY SERVICES

Over 400 clients received support delivering 28,042 hours of assistance

Assessment	1,898 hrs
Food Services (meals)	13,660 meals
Home Care	9,379 hrs
Personal Care	3,887 hrs
Respite Care	1,849 hrs
Home Maintenance	337 hrs
Planned Activity Core	9,060 hrs
Planned Activity High	1,632 hrs

FAMILY AND CHILDREN'S SERVICES

Registered children in FDC	154
Care provided (hours) in FDC	82,128
Care providers with FDC	20
Infants enrolled from birth notifications	121
Children entering municipality	57
Enhanced MCH (families)	35
Family Services (hours)	1,832

FAMILY DAYCARE GETS A NEW LOOK

The Benalla Family Daycare service re-branded this year with a fresh new look to advertise its services to families and potential educators.

The service offers a Family Daycare Play Group to offer fun and interactive learning experiences every Thursday morning at the Ray Sweeny Community Care Centre in Coster Street. The group welcomes children from 18 months to 5 years.



SMALL PLATES PROJECT

The Thoona Hotel has added healthy family meal choices to their menu, as part of a project to encourage healthier portioned meals on the menu in Benalla restaurants.

In Benalla Rural City nearly half of Benalla residents are overweight or obese, with 67% of children not eating enough fruit and vegetables. Benalla Health and the Council worked with Jodie and Scoop at the Thoona Hotel, renowned for its generous meals, to make a nutritional analysis of the menu and identify opportunities for healthier options.

The new Small Plates menu includes smaller servings of Thoona Hotel favourites like the Porterhouse Steak and children have a choice of tasty and creative healthy meals.

SURVEY IDENTIFIES WHAT PARENTS NEED

The Benalla Rural City Council Maternal and Child Health, Benalla Health and Tomorrow Today Foundation conducted The Benalla Parenting Needs survey to find out what Benalla's parents needed to assist them to care for their children.

Parents' experiences of breastfeeding in Benalla Rural City were reported as mixed and parents said they would appreciate more clean and private places to change their children, according to the survey.

The Council has provided changing facilities in the Denny Street public toilets, the Sir Edward 'Weary' Dunlop Learning Centre, the Benalla Art Gallery and the Benalla Performing Arts and Convention Centre, Community Care and the accessible toilet at the Botanical Gardens.

The survey results will be used in future planning of family friendly facilities.

VOLUNTEER RECOGNITION

Volunteers play an integral role in making Benalla a better place to live, with approximately 400 supporting a range of areas throughout the community.

A Volunteer Advisory Committee was established by the Council in 2015 to coordinate and guide the way volunteers are inducted and recognised

There are few areas of our community life that are not improved by the tireless efforts of volunteers.

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

Areas where volunteers assist Benalla Rural City Council include:

- Planned Activity Programs
- Transport
- Gardens maintenance and litter reduction
- Sport and recreation facilities and activities
- Visitor Information Centre
- The Library
- The Benalla Art Gallery
- BPACC
- Benalla Festival and Australia Day events
- Benalla Botanical Gardens
- Waminda House
- Facilities such as the Airport and Saleyards
- Specialist committees such as the Audit Committee.

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 2014/15 budget.

Major Initiatives	Progress
Facilitate appropriate land use development and protection of environmental values through planning processes, particularly the Benalla Planning Scheme.	<p>Ongoing. Implemented through the application of the Benalla Planning Scheme for planning applications and planning scheme amendments. Key 2014/15 actions:</p> <ul style="list-style-type: none"> • review and implementation of the planning scheme completed • finalisation of the gaming amendment. Review and implementation completed • C33 Anomalies amendment public exhibition completed • development of amendment to protect the Sewerage Treatment Plant from incompatible development.
Maintain, enhance and promote Council facilities and open space areas to enable maximum community use, benefit and enjoyment and to meet safety standards.	<p>Strategic Recreation Plan adopted.</p> <p>Works undertaken to ensure key reserves and spaces are safe and appropriate for use.</p>
Develop a recreation and open space strategy to identify priority future developments across our Rural City.	Completed. Strategy adopted.
Develop and implement a strategy for the management of street trees.	<p>Ongoing.</p> <p>Development of a Street Tree strategy subject to funding.</p> <p>Report on current approach to street tree management presented to Council.</p> <p>Ongoing street tree replacement undertaken.</p> <p>Cook and Goodwin streets, Benalla identified as a potential site for the development of a community garden to address food security.</p>

251

THE NUMBER OF AFTER
HOURS CALL OUTS
ATTENDED BY COUNCIL
STAFF.



Other Initiatives	Progress
Civic Precinct Revitalisation Project	Complete
Benalla Airport Master Plan	Complete. Adopted, funding being sought for implementation
Construction of shared pathway between Benalla and Winton Wetlands	Ongoing
Partnership projects with Tatong and Swanpool	Complete
Stage 1 of energy efficient street light replacement project	Complete

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

Strategic Indicator / Measure	Target	Result	Comment
Community satisfaction rating for our performance in relation to the condition of local roads and footpaths	47	48	
Community satisfaction rating for our performance in providing recreational facilities	65	69	
Community satisfaction rating for our performance in the appearance of public areas	72	75	
Community satisfaction rating for our performance in town planning policy and approvals	47	52	
% who believe there are good facilities and services	86%	-	Awaiting results of the Victorian Population Health Survey 2014.
Proportion of planning permit applications processed within 60 day statutory requirement	85%	94%	An excellent result.

The following statement reviews the performance of the Council against the services funded in the 2014/15 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services funded in 2014/15 budget	Net Cost		
		Actual \$'000	Budget \$'000	Variance \$'000
Facilities	Responsible for the management and maintenance of the Council's properties, open spaces, reserves and buildings.	611	533	(78)
Development	Land Use Planning Services to manage development in accordance with the Benalla Planning Scheme and the Planning and Environment Act.	313	299	(14)
Infrastructure	<p>Responsible for the Council's Asset Management requirements including its Road Management Plan.</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"> • urban roads, drains and footpaths • rural roads, drains and bridges • signage, street sweeping • minor construction works • asset inspection programs • plant. 	1,167	2,747	1,580



91%

THE PERCENTAGE OF
PLANNING APPLICATIONS
ASSESSED IN BENALLA RURAL
CITY WITHIN THE STATUTORY
TIME FRAME OF 60 DAYS,
COMPARED TO THE RURAL
AVERAGE OF 78%.

BUILDING A BETTER BENALLA RURAL CITY

PLANNING FOR THE FUTURE

The completion of the Civic Precinct Revitalisation Project signalled the end of an extraordinary phase of capital renewal. In planning for future infrastructure needs and in line with the Council Plan 2013-17, the following projects are being made “shovel ready” so that subject to funding, the incoming Council will be able to consider the priority of the projects.

- Benalla Business Growth (Enterprise Park) Project (adopted as “shovel” ready by the Council in April 2015)
- Benalla Airport Development (Master Plan adopted and funding applications submitted)
- Benalla Aquatic Centre (feasibility study completed)
- Visitor Information Centre (Master Plan adopted)
- Benalla Art Gallery Redevelopment (Strategic Plan adopted)

IN PARTNERSHIP WITH THE COMMUNITY

The Council works to maintain community infrastructure in accordance with best practice asset management principles including roads, bridges, drains, footpaths, buildings and facilities.

The Council has a commitment to improving the infrastructure maintenance regime, particularly for rural areas to ensure regular maintenance for key community infrastructure by engaging with local residents and fostering community ownership.

This approach has led to the following outcomes:

- Township street cleaning agreements with community groups in Devenish and Goorambat have been renewed
- Litter Prevention Volunteers have received Council support
- Friends of the Gardens volunteers have been provided with training on the maintenance of garden beds in the Benalla Botanical Gardens
- Community groups such as the Boweya School Committee have been provided with basic maintenance assistance.

A PLAN FOR ROADS

Community consultation is necessary to develop and implement the Road Management Plan (RMP) to define service standards as a companion to the system for managing risks on road.

The Infrastructure Department consults with the community either by phone or face to face on a weekly basis through the Customer Request Management System. A customer request can be assessed against the RMP.

This is an ongoing process to individual issues with RMP where members of community groups can be informed about the plan. Community representatives from Sam's Hut Reserve Thoon for example were invited to give feedback on that project.

The December 2014 bushfires triggered the suspension of the Road Management Plan until 28 February 2015.

Road projects in 2014/15

- 1,015 defects identified through inspections of roads, footpaths and bridges were rectified
- 607km out of 777km of unsealed roads were graded
- 148km out of 535km of sealed road shoulders were graded
- Gravel road re-sheeting work completed on 1.7km of Basin Road and 1km of Steel Road
- Culvert and headwall installation and stabilisation work on Hartridge Road and investigation works to determine refurbishment or reconstruction of Gunns Lane bridge
- Completion of road widening, kerb and channel and guardrail works along Dobson Road and Davies Road from the Safety Audit
- Completed bus stop constructions at various locations for Public Transport Victoria (PTV)
- Installation of temporary concrete barrier kerb at the intersection of Dunlop Place and Arundel Street
- Reconstruction of Ackerly Avenue Bridge
- Replaced 42 lineal meters of kerb and channel to improve drainage in various locations throughout Benalla, including Nunn Street and Carrier Street
- Replaced 124m² of footpaths at various locations to reduce trip hazards, including Bridge Street, Victoria Street and Salisbury Street
- Stabilisation works in Ackerly Avenue, Carrier Street, Faithful Street, Fawckner Drive, Goodwin Street, Lowry Place, Mackellar Street, Saleyards Road and Witt Street
- 16km of preparation and reseals of the sealed road network

DRAINAGE PROJECTS

- Secured the former Lake Mokoan Inlet Channel, south of Sydney Road, as a potential drainage outfall.
- Designed a gross pollutant trap for West Main Drain.
- Funding for drainage design across Enterprise Park, Kennedy Creek and Murray Road, Benalla.



MAJOR COMMUNITY PROJECTS IN TATONG AND SWANPOOL COMPLETED

Two major rural infrastructure partnership projects were completed in June 2015 with funding from the Victorian Government's Putting Locals First program.

Swanpool and District Memorial Hall

Project Cost: \$366,000

Funding partners: Victorian Government (\$270,000), the Council (\$75,000), local community (\$21,000)

The Swanpool Memorial Hall is home to the Swanpool Cinema and hosts many community events, including the very popular Bald Archies exhibition. Work included:

- Extension of the kitchen
- A new digital projector and a motorised screen in the cinema
- Renovation of the hall with new lighting and air-conditioning
- External work including rendering, solar lighting, an upgrade to the power supplies, a new storage shed, construction of the Swan Pavilion with barbecues, and refurbished public amenities.

Tatong Community Hub

Project Cost: \$393,000

Funding Partners: Victorian Government (\$283,000), the Council (\$40,000), local community (\$70,000)

The Tatong Community Centre and Recreation Reserve is the home to local sports groups and also provides vital community infrastructure for meetings, events and emergency management. Work included:

- Extensive renovation of the main function room and kitchen
- Indoor toilets and showers
- Installation of a playground.

BENALLA AIRPORT MASTER PLAN

The Council adopted the Benalla Airport Master Plan which will see infrastructure improvements ahead of the World Gliding Championships in January 2017, with significant future benefits for the regional economy.

The Council consulted with more than 200 people to develop the Master Plan, which proposes eight separate precincts with a differing focus including runway and taxi-way improvements, cementing the site's role as a creative space for local community groups, the preservation of the historic RAAF and migrant past, and providing a solution for local drainage needs.



10,000

THE NUMBER OF
PATRONS BENALLA
CINEMA PASSED THIS
YEAR FOR THE FIRST
TIME.

BPACC TRANSFORMED

The \$316,000 refurbishment of the Benalla Performing Arts and Convention Centre (BPACC) included the installation of a digital projector, upgrades to the kiosk, box office and back of house change rooms including the kitchenette and dressing rooms, re-carpeting, painting, electrics and lighting, streetscape works, signage, external lighting and landscaping.

The funding for the refurbishment came from the Victorian Government's Putting Locals First program, which contributed \$237,000, with the remainder provided by the Council, local businesses, the Friends of BPACC and youth fundraising groups.

BENALLA AQUATIC CENTRE REDEVELOPMENT

A draft feasibility study to compare the benefits and risks of a number of approaches to the redevelopment of the Benalla Aquatic Centre was completed in January 2015.

The study determined there was a community desire for capital improvements to the existing outdoor Olympic pool and internal dry space areas within the existing facility. The project Working Group with representatives from the Council, Aquatic Centre and community user groups commenced planning for a wide-ranging public consultation on a proposal to take the project to "shovel-ready" status.

OTHER CAPITAL PROJECTS

- Refurbishment of garden beds at the Wedge Street entrance to the Botanical Gardens
- Landscaping at the Sir Edward 'Weary' Dunlop Learning Centre
- Completion of sculpture and garden design and installation on the Mansfield Road roundabout
- Installation of drinking water station on the lake foreshore below the Learning Centre and the installation of a third lake walk exercise station near Moira Reserve, in conjunction with the Rotary Club of Benalla
- Installation of an RV Dump Point at the Benalla Airport
- Project Delivery of Waminda Safe-see initiative that saw the installation of 12 solar powered lights.



Council reports high performance in planning permits

Planning permits take around half the time to be processed in Benalla Rural City as the rural average, according to a State Government report issued in May 2015.

The Planning Permit Activity in Victoria Report from the Department of Transport, Planning and Local Infrastructure revealed that the average gross (total) number of days to make a decision on a planning application has improved from 60 days in 2012/13 to 54 days in 2013/14, and that the rural average is 101 days.

The percentage of applications assessed in Benalla Rural City within the statutory timeframe of 60 statutory days of 91% continues to outperform the rural average of 78%.

Planning results also indicate a surge of building activity in the Urban Growth Project area in Benalla West, with 56 residential lots created since the completion of the project in late 2013. The Council expects a further 26 lots to be released prior to the end of June.

WORKING WITH LOCAL BUILDERS

As well as administering and enforcing the Building Act and Building Regulations, the Council is now providing a building permit service to the community, and is developing a proposal to start issuing building permits outside the municipality.

Since commencing the new competitive building permit fees the Council is administering on average two building permits a week where it was previously one per month.



KEEPING OUR PLACES AND SPACES HEALTHY

The Council has strategic and statutory responsibilities for food quality, safety and security for commercial premises and community groups, recreational and swimming pool water quality, asbestos, on-site wastewater management, development and subdivision in unsewered areas, private water supplies, public accommodation and caravan parks, infectious disease control, environmental health emergency management and supervision of the immunisation contract service provided by the Wodonga City Council. Under these activities:

- 238 people received 571 vaccinations at infant, school and special workplace sessions
- 351 applications for registration were processed and 16 new registered premises were established, with registrations covering Food Premises, Prescribed Accommodation, Caravan Park, Personal Care and Body Art and businesses
- 34 septic tank permit applications were processed.

MANAGING DOMESTIC ANIMALS

The Council conducted Domestic Animal registration audits via door knock visits, with 400 properties audited and 140 animals still remaining unaccounted for. For the period ending on 9 April 2015, 3,181 animals were registered in the municipality.

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 major initiatives identified in the 2014/15 budget.

Major Initiatives	Progress
Prepare a Benalla Art Gallery Master Plan.	Benalla Art Gallery Master Plan completed.
Develop a strategy to retain, support, promote and grow our local businesses, attract new businesses, and support industry innovation and diversification and ensure education and training is readily available to fulfil new opportunities.	Business and Tourism Growth Strategy adopted.
Support, promote and participate in local, regional and state-wide tourism and population attraction initiatives.	The Council was represented at the Victorian Regional Living Expo and the Avalon Airshow.
Establish a long-term strategic approach for the ongoing development of Enterprise Park and the Benalla Airport.	The Business Growth (Enterprise Park) Project has been adopted as shovel ready.
Develop the tourism potential of our iconic community-owned assets, including the Benalla Art Gallery, Benalla Botanical Gardens and Lake Benalla.	The development continued of a Lake Loop mobile device application. The iconic assets are featured on the new tourism website www.enjoybenalla.com.au .



51

THE NUMBER OF BUSINESSES WHICH PARTICIPATED IN THE “TOGETHER” BUS TOUR OF BENALLA RURAL CITY’S ICONIC TOURISM DESTINATIONS.



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

Strategic Indicator / Measure	Target	Result	Comments
Community satisfaction rating for our performance in relation to economic (business) development	54	43	Economic Development Business and Tourism areas have a Facebook Page and an e-newsletter. The Council has embarked on a regular Business Visitation program
Community satisfaction rating for our performance in relation to tourism promotion and support	54	54	
Businesses listed on the North East Tourism Digital Platform	15	77	Operator engagement has resulted in a high result
Opportunities for business owners to participate in employment and training programs	30 participants per year	120	11 seminars and workshops conducted with an average of 10 participating in each event. Up to 25 attended accommodation training workshops
Participation in events to promote Benalla Rural City outside the region	At least two per year	2	

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost		
		Actual \$'000	Budget \$'000	Variance \$'000
Economic Development and Tourism	Develops and implements initiatives that strengthen and develop Benalla Rural City's business and tourism sectors.	450	462	12

SUPPORTING THE LOCAL ECONOMY

The Council supports the operation, growth and diversity of the local economy through:

- Advocacy to State and Federal Government for funding and other support
- Business liaison and support through the Economic Development and Tourism Team
- Efficient planning and regulatory services.

The Council fosters close cooperative relationships with local major businesses such as Australian Munitions (Thales), D&R Henderson Pty Ltd, Ryan and McNulty Sawmillers and Schneider Electric, Alkoomi, Coinda, Department of Education and Benalla Health, through a schedule of quarterly meetings.

Other support provided to local businesses includes:

- Support for local food producers through participation in Council-sponsored events being promoted by the Council such as the Benalla Nude Dinner
- Preparation for a workforce attraction project for agriculture in association with NE TracksLLEN
- Facilitating RBR Refrigeration purchase of Yooralla (Cal Industries) block at Enterprise Park
- Support for a mushroom composting company to develop land on Link Road which will create 20 jobs
- Providing representation for Benalla in the Indi telecommunications Group regarding black spot program and possible partnership solutions
- Linking business with potential skilled job applicants directly and through the North East Jobs Hub, and encouraging local business to promote job opportunities on the North East Jobs Hub.

The Council works closely with the Benalla Business Network to identify opportunities for working together to create an environment that is conducive to business growth and diversity. The Council provided \$15,000 funding to the Benalla Business Network in 2014-15 and sponsors a category in the BBN's annual Benalla Business Awards.

STATE GOVERNMENT RELATIONSHIPS BRING LOCAL REWARDS

The Council has successfully worked with the State Government to access funding through programs such as Advancing Country Towns to develop local solutions to business and tourism challenges.

The Council also works to deliver the benefits of other State Government business initiatives such as the Small Business Bus, the annual Small Business Festival and Support Small Business Day to the local business community.





LINKING BUSINESS AND TOURISM UNDER ADVANCING COUNTRY TOWNS

Under the Advancing Country Towns 4th Initiative the Business and Tourism Growth Strategy was completed. An implementation steering committee has developed three key activities to assist with implementing the strategy. They include:

- The “Together” project - developing a series of tourism packages linking businesses together with iconic tourism destinations the Winton Wetlands, Winton Motor Raceway, Benalla Airport and State Gliding Club of Victoria and the Benalla Art Gallery. The packages were presented in highly successful bus tours attended by 66 people from 51 businesses and the general community
- iBenalla which includes the installation of video conferencing at the Sir Edward “Weary” Dunlop Learning Centre and the development of a e-health feasibility study in conjunction with Benalla Health
- The Business Growth (Enterprise Park Redevelopment) Project lays out the design of a multi-lot industrial subdivision at Enterprise Park and a designed solution for a long standing drainage problem in Benalla.

Enjoy Benalla, a tourism destination

A new tourism brand for Benalla, Enjoy Benalla, was developed and launched through the website www.enjoybenalla.com.au on the Regional Digital Platform, developed through Tourism North East. This is an important tool that allows visitors to plan every aspect of their stay in Benalla Rural City.

The Council supports a number of regular and one-off events to promote Benalla Rural City as a tourism destination. We also work closely with Tourism North East to ensure that we are represented in regional publications and campaigns. Highlights of tourism activities this year include:

- Benalla Festival
- Historic Winton tour
- Supercar V8 Drivers signing
- Tourism North East Harvest Festival (including the Benalla Nude 2015 dinner)
- Inclusion in the Tourism North East Cycle Guide and Food and Wine publications.

The Enjoy Benalla brand covers all activities from the Visitor Information Centre, which enjoyed a 10.2% increase in visits to 37,000 from 2013-14.



Street Art, a new picture of Benalla

Benalla's streets will never look the same again after the 2015 Wall To Wall Street Art Festival saw 13 sites across the CBD painted by some of Australia's finest street artists.

The Festival was presented by Benalla Street Art Inc, a community led body with strong representation from the business community and supported by the Council.

It showcased the work of 13 international and Australian urban artists working across bare walls, the skate park and even a glider trailer.

Showcased by Shaun Hossack from the Melbourne street art studio Juddy Roller, it followed on from the highly successful street art exhibition at the Benalla Art Gallery.

WORLD GLIDING CHAMPIONSHIPS CAN TAKE TOURISM TO NEW HEIGHTS

Benalla Airport will host the World Gliding Championships in January 2017, and the Council has submitted grant applications for infrastructure projects contained within the Airport Master Plan

With the support of the Council the Gliding Federation of Australia successfully applied to Significant Events Victoria for funding to host the Championships.

To prepare for making the most of this important tourism event, the Council has facilitated three workshops for intending B&Bs in conjunction with Tourism North East, discussing registration, accommodation issues, and the new digital platform.

SIGNS REFLECT TOURISM PRIORITIES

The Rural City Signage Strategy Working Group has undertaken an audit of signage in the CBD and made a recommendation to VicRoads to rationalise the signage throughout Benalla City. The CBD signage has been replaced and rationalised, the town entry signs are currently under review and the major tourism signs which identify the Benalla Art Gallery, the State Gliding Centre and the Winton Wetlands on the Freeway have been replaced.

JOBS AND SKILLS EXPO

In 2014, the Council held the Jobs, Careers and Volunteers Expo, the first year it has used this whole-of-community approach to employment encompassing jobs, skills, careers and volunteers.

Finding the right employment can be a challenge right across the Hume Region but with more than 920 active businesses in Benalla Rural City, matching up job seekers with the best employment opportunities is a vital part of improving our local economy.

The Expo also provided an opportunity to recognise and value the unpaid work done in the community.

Fifty exhibitors participated in the Expo, attracting people of all ages from across Benalla Rural City.

THE COUNCIL
WILL REPLACE **786**
MERCURY VAPOUR
STREET LIGHTS
TO EFFICIENT
FLUORESCENT LIGHTS
UNDER THE WATTS
WORKING BETTER
PROJECT

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 major initiatives identified in the 2014/15 budget.

Major Initiatives

Involve and inform the community on environmental issues, strategies and opportunities for reducing our environmental impact.

Progress

Public consultation and review of the Environment Strategy.
Consultation for the preparation of a Domestic Wastewater Management Plan

Increase the recovery of resources, minimise waste disposal to landfill and promote opportunities for new waste management facilities.

Adopted a Waste Minimisation Strategy and introduced new services from 1 July 2015 to significantly exceed the target as organics will now be diverted as well as recycling. Introduced an organic waste service with a significant public education campaign

Review, adopt and implement the Roadside Vegetation Management Plan taking into account conservation values and public safety expectations.

Adopted and prepared for commercial publication

Other Initiatives

Watts Working Better energy efficient streetlight replacement program

First phase completed, second phase and community engagement planned

Domestic Animal Management Plan

Reviewed and adopted and the Department of Economic Development, Jobs, Transport and Resources notified

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

Strategic Indicator / Measure	Target	Result	Comments
Community satisfaction rating for our performance in waste management	67	69	
Community satisfaction rating for our performance in environmental sustainability			
Community satisfaction rating out of 100 with how Council has performed in relation environmental sustainability.	56	60	
Proportion of collected household waste recycled versus landfill	43%	31.8%	The new organic waste service will address this result

The following statement reviews the services funded in 2014-15 Budget and the persons or sections of the community who are provided the service

Service Category	Description of activities	Net Cost		
		Actual \$'000	Budget \$'000	Variance \$'000
Environment	Includes waste collection, recycling programs, EPA licenced landfill operation, and waste minimisation programs in accordance with state and regional plans and policies. Area also includes sustainability and environment activities: climate change, roadside vegetation, energy and water conservation; and water quality. Operating result is offset by required capital expenditure.	491	221	(270)

ORGANIC WASTE SERVICE TO REDUCE PRESSURE ON LANDFILL

A significant public information campaign was rolled out in May and June to inform the community about the new organic waste service to be provided to urban premises from July 2015.

The organics service and bigger 360 litre recycling bins are designed to reduce the amount of waste going to landfill.

The introduction of an organics collection will reduce the weight in the red-lid rubbish bins by up to 50%. Less waste going to landfill means the life of the landfill infrastructure is increased, which is a cost saving for the community, and means less greenhouse gas emissions.



50%

**THE POTENTIAL
REDUCTION IN WASTE
GOING TO LANDFILL
FOLLOWING THE
INTRODUCTION OF
AN ORGANICS WASTE
SERVICE**



FACING THE CHALLENGE OF CLIMATE CHANGE

The Council has engaged in a number of projects in line with the Climate Change Environment Strategy and funded by the Victorian Adaptation and Sustainability Partnership to mitigate the impact of current and future climate change.

Three partnership projects funded by the Victorian Adaptation and Sustainability Partnership are under way:

- Climate-Smart Agricultural Development in the Goulburn Broken catchment
- Resilient Community Facilities
- Rec-Less – using less water less often in public recreational spaces

WATTS WORKING BETTER

The Watts Working Better project, funded by the Australian Government, will see the replacement of street lights to energy efficient models, resulting in savings of nearly \$1 million in energy costs over the next 20 years.

More than 12,600 street lights across Benalla, Campaspe, Greater Shepparton, Mansfield, Moira, Mitchell, Murrindindi, Strathbogie and Wangaratta are being changed to energy efficient alternatives as part of the federally funded Watts Working Better project.

The project will cost \$4.4 million across the nine participating councils and save an estimated \$15.6 million over the next 20 years.

The Council will be changing over 786 old mercury vapour lights to more efficient T5 fluorescent lights as a part of the project.

A WATER PLAN FOR THE FUTURE

The Council commenced the development of a Domestic Wastewater Management Plan. The plan involves bringing together the Council, North East Water, Goulburn Murray Water and the Goulburn Broken Catchment Management Authority to identify challenges, opportunities and a strategy to manage domestic wastewater in the municipality.

The project began with a community consultation to hear from anyone in Benalla Rural City who has a septic tank or treatment system on their property. The consultation resulted in 56 submissions and the feedback is being used to inform the plan.

PARTNERS FOR THE ENVIRONMENT

Environment Networks the Council works with:

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



MANAGING ROADSIDE VEGETATION

The Roadside Vegetation Management Plan is the result of extensive work undertaken by a Steering Committee, Council staff and the Municipal Fire Management Committee. The Steering Committee is made up of community representatives, including representatives of Landcare Groups, VFF and CFA as well as government department representatives.

The Council also engaged in:

- Mapping and treatment of Chilean Needle Grass infestations throughout the municipality.
- Mapping and treatment of priority roadside weeds throughout the municipality.

PREPARING FOR AND DEALING WITH AN EMERGENCY

Bushfires

The bushfires in December 2014 resulted in significant damage to the municipality, with 91 properties affected.

The Municipal Emergency Coordination Centre was opened, and the Evacuation and Relief Centre Opened with immediate relief and recovery provided. Emergency communications were put into place to assist residents and businesses during and following the emergency. The Council provided communications assistance and leadership to the CFA and also the Rural City of Wangaratta.

Relief was ongoing, with a large community recovery day held at Baileys Winery in June.

The response to the fires benefited from two training events conducted earlier in the year for members of the Municipal Emergency Management Planning Committee.

The Council has reviewed and audited the municipalities' Neighbourhood Safer Places.

Emergency preparation

Other activities to prepare for an emergency include:

- The endorsement and release of the BRCC Heatwave Plan 2014 which has received State wide recognition from Department of Health and VicPol.
- Sourcing and development of the Benalla Flood Intel System
- Ensuring that the Council is a signatory to the MAV interCouncil resource Sharing protocol

\$78,837

**\$76,837 – THE MONEY
ALLOCATED UNDER THE
COUNCIL'S COMMUNITY
SUPPORT PROGRAM TO 31
COMMUNITY GROUPS**

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 2014/15 budget

Major Initiatives

Progress

Continue to improve the effectiveness of our engagement with the whole community, including young people, in our decision making process.

Review of Consultation and Communications Strategy started. Mayoral Rural Communities Visitation Program introduced

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.

Ongoing

Actively participate in relevant regional forums and collaborations including the Hume Region Local Government Network and Hume Regional Management Forum.

Ongoing

Other Initiatives

Commencement of the Resilient Community Program

Ongoing

Implementation of Advancing Country Towns

Business and Tourism Growth Strategy (4th initiative) implemented
Program complete

Community Access and Inclusion Plan

Draft plan released for public comment in June 2015

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

Strategic Indicator / Measure	Target	Result	Comments
Community satisfaction rating for our performance in community consultation and engagement	48	52	
Community satisfaction rating for our performance in informing the community	54	56	

The following statement reviews the services funded in 2014-15 Budget and the persons or sections of the community who are provided the service

Business area	Description of services provided	Net Cost		
		Actual \$'000	Budget \$'000	Variance \$'000
Communications	Community engagement in accordance with the Council's Communication and Consultation Strategy.	231	279	48

COMMITTED TO ENGAGEMENT

A cross-departmental Community Engagement Strategy Working Group was established in late 2014 to review Benalla Rural City Council's 2005 Consultation and Communication Strategy and to develop a new Community Engagement Strategy and Toolkit that will provide a consistent and proactive approach to community engagement across the organisation.

The process resulted in the establishment of a Community Planning Steering Committee comprising several Council staff and Councillors and a number of community representatives. The Community Planning Steering Committee will oversee the development of a long term Community Plan for Benalla Rural City to identify community values, aspirations and priorities for the future and will incorporate many of the documents and policies recently developed.

COMMITTED TO COMMUNICATION

Our communications continued to focus on being accurate, transparent and timely. A review of all communications showed that the community values fortnightly full page advertisement in the local newspaper, which was redesigned with a fresh, clean and colourful look, as well as the seasonal community newsletter.

The Mayor opened his office to meet with any interested person who wished to raise a matter, an opportunity which has been taken up and appreciated by many.

95

**THE NUMBER OF PEOPLE
WHO ATTENDED THE
THOONA AND DISTRICT
EMERGENCY SERVICES
EXPO.**



BUILDING RESILIENT COMMUNITIES

LOCAL PEOPLE MAKING LOCAL SOLUTIONS

The Local People Making Local Solutions (Resilient Communities Program) is a pilot project designed to build capacity, preparedness and resilience. It targets the rural communities of Thoona, Goorambat, Baddaginnie/Goomalibee and Tatong. Activities included:

- Thoona & District Emergency Services Expo on Saturday 4 October, attended by more than 95 people and featuring interactive displays from the CFA, DEPI, and VICSES.
- The Rural Fire Tales project, documented what the communities learned from the December 2014 fires, through stories in words, photos and film.
- A Community Recovery event held at Baileys Winery in June, organised in partnership with the Rural City of Wangaratta and Moira Shire Council and attended by approximately 100 people.

ANZAC PROJECT

The Coo-ee Saluting our WW1 Heroes Project brought the community together with an inspiring program of events, open days, meetings and workshops held over the 12 months leading up to, and during the week of ANZAC Day in 2015. The project was facilitated by the ANZAC Commemorative Partnership Project Committee working in partnership with Benalla Rural City. It culminated in a community exhibition at the Benalla Town Hall which provided the opportunity to showcase an incredible treasure trove of war memorabilia and inspired an original theatrical production.

BENALLA TALKS FARMING

Farmers had a chance to talk about how they adapt to a changing agricultural, financial and climatic landscape at the March 2015 Benalla Talks Farming Forum.

The forum was an initiative of local farmers in partnership with the Council and local service providers. The forum focused on succession planning and the health and wellbeing of the farming community.

LEADERS OF THE FUTURE

A number of initiatives have been delivered to encourage participation by young people in community development.

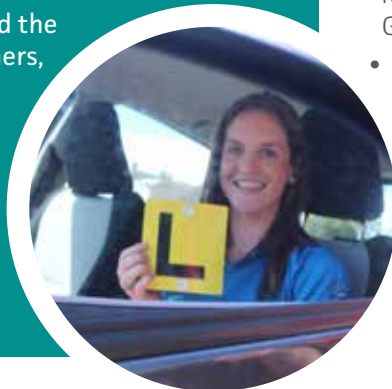
- Implementation of the Benalla Youth Strategy by the Benalla Youth Service Provider Network (BYSPN) to increase participation in recreational clubs and activities for young people from lower socio-economic groups through projects such as Benalla Flexible Learning Centre and establishment of a pop-up youth space.
- Benalla's first Youth Mental Health Forum in July 2014
- Wots4Me program supporting young people in making decisions around education, training and employment.
- FReeZA events including the Benalla Black Tie Blitz and stencilling workshops as part of the Wall to Wall Street Art Festival.

L2P DRIVING YOUNG PEOPLE INTO THEIR FUTURE

The Council secured the operation of the State Government funded L2P Learner Driver program for a further four years, enabling our active group of mentor drivers to continue to assist the ever growing pool of young learner drivers seeking assistance to gain their 120 hours of driving experience.

Negotiations have also begun to expand the focus of the program to incorporate other components such as a vehicle maintenance education program in partnership with Value Auto Group who generously sponsor the L2P vehicle.

The L2P program finished the year with 27 active learners, who received over 960 hours of supervised driving practise, 22 active volunteers contributing over 1100 hours, and seven young people obtaining their probationary licence.



NAIDOC

The NAIDOC week working party oversaw another successful NAIDOC week event in July 2014, comprising of a tour of the Indigenous Gardens and a morning tea at the Benalla Town Hall. Another tour of the Gardens was held during Seniors Festival Week in October 2014.

ADVANCING COUNTRY TOWNS COMPLETED

The Advancing Country Towns Program concluded in 2015. The final report submitted for the four year State Government funded project saw the original \$810,000 funding accumulate into nearly \$2 million over the life of the project through additional funding from other levels of government, businesses, the community and philanthropic support.

Highlights in the final year of the program included:

- Bridges out of Poverty training.
- The release of the Benalla Business and Tourism Growth Strategy
- The Together Project, linking local businesses to tourism attractions, particularly Winton Motor Raceway, Winton Wetlands and the Gliding Club of Victoria.
- The Who What Where database now has over 220 organisations listed totalling over 400 published services.

Overall 13 projects were successfully completed.

40

THE NUMBER OF
HEALTH PROFESSIONALS
TRAINED IN
IMPROVING DISABILITY
COMMUNICATION
SKILLS.



BUILDING AN ACCESSIBLE COMMUNITY

The Rural Access program is designed to build a more inclusive community so that disability is no longer a barrier to participation. The focus is on working in partnership with the community, service providers, people with disabilities, their carers and friends to increase the opportunities for people with disabilities to participate in community life.

Accessibility outcomes for the past year include:

- The review and revision of the Community Access and Inclusion Plan.
- A physical audit of accessible car parking bays within Benalla's CBD.
- Partnerships with Benalla Community Health and the East Complex Communication Service to run education sessions for 40 health professionals to improve disability communication skills.
- Involvement in the Welcoming Businesses Project, a regional initiative to roll out a coordinated program across 7 LGA's to improve access to business and services.
- Trial and purchase of a portable FM listening system for use by Council and community to improve involvement in events for people with hearing difficulties and the recommissioning of hearing loops located at the Sir Edward "Weary" Dunlop Learning Centre and Customer Service Centre.
- The provision of fully accessible adult change facilities at the Sir Edward "Weary" Dunlop Learning Centre.
- Facilitation of two workshops with Benalla Health, Scope and Gateway Health for "Communication Access for All".

COMMUNITY SUPPORT PROGRAM 2014/15

COUNCIL'S 2014/15 BUDGET ALLOCATED \$77,329 TO THE COMMUNITY SUPPORT PROGRAM, WITH UP TO \$62,329 OF THIS IS ALLOCATED FOR THE COMMUNITY GRANTS PROGRAM AND THE BALANCE 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 for projects and activities that will assist in building healthy, vibrant and sustainable communities across the Benalla Rural City.

This year an additional stream was introduced to the Youth Participation Grants Program providing 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 2014, 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. An information session was held in February in partnership with the Tomorrow: Today Foundation, which was attended by around 40. A number of informal sessions were also held with young people from across the municipality to overview the new Youth Participation Grants Program.

A total of \$78,954 was sought in funding, with total project costs valued at \$190,473. Seven applications were also received under the Youth Participation Grants Program. A total of \$6,399 was sought in funding, with total project costs valued at \$9,555.

Grants allocated under the 2014/15 program are detailed in the table below.

2014/15 Community Grants		
Applicant	Project	Funding Allocated
Baddaginnie Community Inc.	Renovation of wooden floor at Baddaginnie Jubilee Hall as part of a larger longer term project to upgrade the hall	\$2,500
Benalla Camera Club	New projector to showcase electronic digital images helping to support a variety of club activities	\$2,499
Benalla Girl Guides	Purchase photocopier to improve communication to parents and the broader community	\$1,550
Benalla Gymnastics Club	Safe removal of cladding (asbestos) from front verandah of Chiswell Pavilion at Showgrounds Recreational Reserve	\$1,980
Benalla Men's Shed	Purchase of a defibrillation machine and holding cabinet for use by all groups at CAL farm	\$1,650
Benalla Saints Sports Club Past Players and Officials Association	Build a shelter for spectators and officials at the netball courts adjacent to football oval at the Showgrounds Reserve	\$2,500
Benalla Street Art	Run follow up programs following on from the success of Wall to Wall Festival – including workshops targeting young people leading up to proposed Street Art Festival in 2016	\$2,500
Benalla Support Group for Children with Special Needs	Funding to assist the group to celebrate their annual Christmas and International Day for People with Disabilities.	\$1,530
Benalla Sustainable Future Group	Establish a website to promote BSFG, improving the community's access and information about the group and support in staging 2015 Swanpool Environmental Film Festival	\$1,969
Benalla YMCA	Purchase of baby change tables for changing rooms ensuring families with young babies are catered for	\$2,495
Broken River Environment Group	Purchase of computer equipment to assist in keeping all of the groups documentation on the one device and to enable presentations to be screened	\$1,993

2014/15 Community Grants		
Applicant	Project	Funding Allocated
Carers and Parents Support Group	Purchase up to date IT equipment to help support and promote CPSG and provide support for a "Carers supporting Carers" activity	\$1,837
Churchill Recreation Reserve COM	Assistance with costs associated in purchasing three defib units for user groups at the reserve	\$2,500
Cooinda Village	Assist with costs of installing a number of enclosures to house rubbish, recycling and organic waste bins for ease of storage and collection reducing number of bins required at the facility and increasing safety	\$2,500
Devenish Public Hall	Renew spouting around the kitchen and supper room	\$2,000
Friends of BPACC	Support short film festival at BPACC November 2015 following success of inaugural event in 2014 – will also include junior event	\$2,500
Goomalibee CFA	Purchase ride on lawn mower for ground maintenance surrounding Goomalibee fire shed	\$2,500
Moira Bowls Club	Replacement of 30 year old oil heater with a new gas heater	\$2,500
Lurg Hall and Reserve COM	Construct roofing structure over existing toilet/shower block at old Lurg School (Don McKenzie Reserve) and upgrade walls and fascia	\$2,500
Multicultural Arts Victoria auspicing Benalla Cross Cultural Exchange Project	Aboriginal cultural insight training session for up to 30 local educators and cross cultural event at Benalla Festival showcasing artworks, writings, memories – to include storytelling, bush tucker, welcome to country components	\$2,500
Regent Honeyeater Project	Planting of open areas along key roadsides in the Lurg Hills to close the gaps in habitat and thus help to ensure the survival of threatened species	\$2,500
Ride Ave Preschool	In partnership with Benalla Woodworkers restore 80 large hand made wooden blocks, shelving in outdoor shed and erection of footbridge to compliment new Indigenous Garden	\$1,546
Tatong Village Market	Purchase laptop and external hard drive for management, coordination, communication, publicity and record keeping of market. Will also be used to play music and display photos at the market	\$1,407

2014/15 Community Grants		
Applicant	Project	Funding Allocated
Thoona Tennis Club	Tennis court facility upgrade repairing fencing, shelters and seating around the Thoona Tennis courts	\$2,500
Thoona Memorial Hall	First phase of repairs and painting to exterior of Thoona Hall to help protect hall and improve functionality of this community asset	\$2,500
Big Valley Quarter Horse Association auspicing Warrenbayne Cricket Club	Contribute towards the construction of a storage shed in partnership with a number of other groups at Benalla Sports and Equestrian Centre	\$2,500
Total		\$57,456

2014/15 Youth Participation Grants		
Applicant	Project	Funding Allocated
VCAL students from Benalla P-12 College	Staging of annual Get Out There Youth Awards night at BPACC recognising local young people through a variety of categories. Event organised and run by young people.	\$1,000
Baddaginnie Fun Club at the Baddaginnie Hall	Provision of art and craft materials for use at the Baddaginnie Fun Club, primarily targeting younger children	\$993
TDA Performing Arts students	Staging of an affordable holiday program activity at the Benalla Town Hall promoting health and fitness through dance and movement	\$1,000
Benalla Flexible Learning Program	Participation in youth driven street art tour and workshop in Melbourne culminating in the development of a feature wall	\$1,000
Youth Mental Health Awareness Committee	Staging of a Youth Mental Health Awareness Week BBQ in the main street	\$600
Total		\$4,593
Total for Community Grants		\$62,049

COMMUNITY SPONSORSHIP PROGRAM 2014/15

As detailed in the table below, in 2014/15, \$14,798 of assistance was provided to 32 community organisations from the Council's Community Sponsorship Program.

2014/15 Community Sponsorship Program		
Applicant	Project	Funding Allocated
Benalla Historical Society	Purchase of archival presentation binders, sleeves and associated administrative costs involved in the Historical Society's project researching and documenting the personal histories of Shire Presidents and City Mayors of Benalla from 1869.	\$500
Friends of Benalla Art Gallery	Assistance with costs associated with hiring the Benalla Art Gallery for three piano concerts to be held in October 2014. The concerts provide local piano students with the opportunity to perform using the grand piano, enhancing their self esteem and musical performance skills.	\$500
Benalla Rotary Club	Assistance with the advertising and promotional costs involved with coordinating a Mega Garage Sale event with multi vendors participating on Saturday 20 September. Buyers would register at the Rotary Shed and receive a map and list of all the sales and items to be sold, together with a list of specials from local businesses. Profits raised would be donated back to local organisations.	\$500
Hume Veterans Cycling Club	Sponsorship for the hire of Benalla Senior Citizens Community Centre on 21 September for its annual open cycling event.	\$210
Rural Housing Network	Assistance with venue hire costs (Lakeside Community Centre) for Rural Housing Network to host a Housing Security for Older Persons Forum on 9 October during Senior Citizens Week. The forum aims to ensure that older people and associated service providers gain a clearer understanding of housing needs and consumer rights.	\$440
Benalla Carers and Parents Support Group Inc.	The Carers and Support group is seeking assistance with the costs associated in staging a community festival to celebrate the group's 25th birthday.	\$500
Leukaemia Foundation	The Leukaemia Foundation is seeking funds to cover the hire of the Benalla Drill Hall Community Activity Centre (as a back up) and bins for this year's 'Light the Night' fundraising event to be held on Saturday 20 September in the Botanical Gardens.	\$190

2014/15 Community Sponsorship Program		
Applicant	Project	Funding Allocated
Regent Honeyeater Project	Assistance with costs associated with facility hire (Benalla Drill Hall Community Activity Centre and Benalla Senior Citizen's Community Centre) for community volunteer dinners over four tree planting weekends in August and September. The dinners are seen as a great way to thank the many volunteers involved with the tree planting program.	\$500
Benalla Business Network	Assistance with costs of hiring the Benalla Town Hall for the annual Benalla Business Excellence Awards.	\$325
Benalla Sustainable Futures Group	Assistance with costs associated with staging a sustainable housing forum at BPACC to encourage people to consider sustainable energy efficient approaches to designing and building their homes.	\$588
Thoona Progress Association on behalf of Thoona Local People Making Local Solutions working group	Assistance with catering and prizes for a Community Fun Day on Saturday 4 October. The day will bring together local residents to foster discussions and thought around the community's ability to prepare and act in response to an emergency and/or disaster. A photographic competition #thoonies targeting local young people will be a highlight of the day.	\$500
Rotary Club of Benalla	The Rotary Club of Benalla is again seeking assistance to cover the cost of one child attending the annual Portsea Camp. Last year 28 children were supported to attend the camp from funds raised by the Rotary Club	\$358
Tatong Young Bloods	Tatong Young Bloods are seeking assistance with the costs associated in staging a biannual Tatong Community Christmas Concert on Sunday 14 December. Attracting over 100 people the concert provides an opportunity for locals to catch up, meet new people and showcase the talents of local young people. Catering, hall hire and decorations would be covered by the grant, with in kind assistance from the Tatong Young Bloods.	\$500
Benalla Family Research Group	To assist with the costs associated in preserving, printing and indexing copies of records from a local church. The Family Research Group wants to ensure that the 300 plus records are able to be safely stored locally.	\$500

2014/15 Community Sponsorship Program

Applicant	Project	Funding Allocated
Benalla P-12 College	Benalla P -12 College is seeking sponsorship under a number of categories for their Year 12 Graduation Ceremony being held on Wednesday 17 December. Previously the Council has nominated to support the community service award.	\$100
Goomalibee Rural Fire Brigade	Goomalibee Rural Fire Brigade is seeking funding to host a combined Community Christmas function and Awards Presentation on Sunday 14 December. The event will provide an opportunity to bring together people from the Goomalibee and district communities. This is the only organised event in the Goomalibee community, last year attracting well over 100 people.	\$500
Goorambat and District Public Hall Committee of Management	Seeking assistance to help cover the costs of an annual Community Christmas BBQ on Friday 12 December. The community BBQ will provide an opportunity for results from the Local People Making Local Solutions survey to be explained to those in attendance.	\$300
Benalla and District Junior Football League	The Benalla and District Junior Football League is seeking sponsorship for the club to offer complimentary movie tickets on a weekly basis to the Under 16, Under 14 and Under 12 divisions, promoting a partnership between the Council and the Football Club.	\$500
Winton Cemetery Trust	The Winton Cemetery Trust would like to stage another community BBQ to officially open the new rotunda and to bring the community together after the success of the 2013 Community Christmas BBQ.	\$500
Tomorrow:Today Foundation	Tomorrow: Today is seeking sponsorship to provide 50 movie tickets for mentors and mentees in the very successful Connect9 Program. Two programs are run each year connecting approximately 50 Year 9 students with mentors. The program aims to connect the young people into their local community through trying new hobbies, developing new skills and investigating career options.	\$450
Benalla and District Cricket Association	Benalla and District Cricket Association is seeking funds to assist AUSRAPID (an organisation that increases sporting and recreation opportunities for all Australians with an intellectual disability) to host an international demonstration cricket match at the Benalla Showgrounds on Sunday 15 March 2015. The day will involve local teams with the event open to the whole community.	\$500

2014/15 Community Sponsorship Program		
Applicant	Project	Funding Allocated
Disability Advocacy and Information Service (DAIS)	DAIS is seeking support to re-establish a presence in Benalla by holding a monthly outreach service at the Sir Edward Weary Dunlop Learning Centre. Funds will be used to cover the costs of hiring a room two hours a month, providing the opportunity for an advocate to meet with people with a disability who have an advocacy issue that DAIS may be able to assist with. The outreach service will consider demand for the service to see if there is an ongoing need into the future.	\$300
Motor Neurone Disease (MND) Association of Victoria	The Michael; Rodger Act 2 D-Feet Motor Neurone Disease group under the auspices of MND Association of Victoria is seeking funding to assist with the running of their annual fundraising event. The event includes a bike ride, walk around Benalla lake and two running events with approximately 2000 people participating. Funds raised are directed to MND research.	\$500
Benalla RSL Sub-Branch	Seeking funds to assist in covering costs of a morning tea for the official opening of the Lt. George Say Room (formerly the home of the Benalla Toy Library).	\$250
Molyullah Recreation and Public Hall Reserve Committee of Management	Assistance is sought to cover the costs of rubbish bins provided at the annual Molyullah Easter Sports Day which was held on Monday 6 April	\$500
Hume Veterans Cycling Club	To cover the costs of hiring the Senior Citizens Community Centre for its annual cycling event in September	\$210
Benalla Health	To cover the costs of hiring BPACC for a forum focusing on what Benalla can do about Family Violence. Rosie Batty, Australian of the Year will be speaking at the forum.	\$677
Cancer Council of Victoria	Assistance with costs involved in staging the Benalla Relay for Life event in November. This 18-hour overnight event with ceremonies and activities engages many people from within the community and helps to support research and prevent cancer through the funds raised.	\$500
Benalla P-12 College	Seeking assistance to help cover costs of nine Year 11 students walk the Kokoda Trail in Papua New Guinea in July 2015. The trek has had a profound effect on staff and students who have completed it in the past.	\$400

2014/15 Community Sponsorship Program		
Applicant	Project	Funding Allocated
Benalla Flexible Learning Centre	The Benalla Flexible Learning Centre (BFLC) is seeking assistance with the costs involved in trialling a shuttle service from Gaskin Street Park to BFLC three days a week, twice a day to help to address barriers to school attendance. If successful future funding options would be investigated.	\$500
The Centre for Continuing Education	The Centre is seeking support with initial costs associated with setting up a pre-accredited music program for students in Benalla. The funding would be used to purchase equipment. This program aims to re-engage a number of young people in education and if successful would hopefully attract State Government funding.	\$500
NE TRACKS LLEN	The LLEN is seeking assistance with venue hire costs for BPACC for the annual Benalla Careers Day. The day targets all Year 10 students in Benalla Rural City and focuses on showcasing local careers, education, training and employment opportunities.	\$500
Benalla Country Women's Association (CWA)	The CWA is seeking funding to help support a scholarship program targeting a local female student from Benalla P-12 College, requiring financial assistance to continue her education.	\$500
North East Artisans (NEA)	NEA is requesting assistance to help cover the promotion and equipment hire costs associated with an upcoming fund raising event.	\$500
Total		\$14,798

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 2014/15 budget

Major Initiatives:	Progress:
Continue to implement strategies to attract, retain and develop staff to create a high performance organisation.	Ongoing. New recruitment packs have been developed. The E-Learning portal has been enhanced.
Pursue innovation and efficiency in our systems and processes.	Ongoing. A new computer server was installed in accordance with the Information Technology Strategy. Wireless hotspots were installed at the Customer Service Centre, Benalla Performing Arts and Convention Centre, and Benalla Art Gallery.
Actively advocate for our community in our relationships with State and Federal Governments and statutory authorities.	Ongoing. The Council hosted six monthly information sessions with local Members of Parliament.
Maintain viable and sustainable income sources through our revenue strategy and by seeking additional grant funding.	Ongoing. The State and Federal Governments are drawing back on funding.

\$24,289,610

THE TOTAL CAPITAL
GRANTS SECURED FOR
BENALLA RURAL CITY
PROJECTS OVER
10 YEARS.



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

Strategic Indicator / Measure	Target	Result	Comments
Community satisfaction rating on overall Council direction	44	52	
Community satisfaction rating on our overall performance	48	55	
Community satisfaction rating on our interaction and responsiveness in dealing with the public (customer service)	63	65	
Community satisfaction rating on our performance in relation to advocacy (lobbying on behalf of the community)	47	52	
Staff turnover rate	Higher than 5% and less than 10%	15%	
Indebtedness Ratio	50% or less	68:1	\$5.502 million increase in Landfill Rehabilitation Provision.
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	Medium Risk Sustainability Assessment	Result of the Indebtedness Ratio increasing above 60%.

The following statement reviews the services funded in 2014-15 Budget and the persons or sections of the community who are provided the service.

Service Category	Description of activities	Net Cost		
		Actual \$'000	Budget \$'000	Variance \$'000
Corporate and Community	Includes the General Manager Corporate and Community and associated support. Also includes the governance function.	431	412	(19)
Chief Executive Officer	Chief Executive Officer, Mayor and Councillor support.	684	653	(31)
Customer Relations	Includes Customer Relations functions in accordance with Council's Customer Service Strategy and associated Charter and maintenance of customer request system.	459	423	(36)
Finance	Provides document management, including the creation, scanning, maintenance, archiving and disposal of all corporate records together with the administration of incoming and outgoing mail.	(2,733)	(445)	2,288
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.	1,503	1,422	(81)

IMPROVING CUSTOMER RELATIONS

A NEW CUSTOMER RELATIONS STRATEGY HAS BEEN DEVELOPED WITH THE PURPOSE OF HIGHLIGHTING THE ORGANISATION'S COMMITMENT TO CUSTOMER SERVICE EXCELLENCE AND OUTLINES THE KEY ACTIONS TO BE TAKEN TO ACHIEVE CONTINUOUS IMPROVEMENT IN CUSTOMER SERVICE PERFORMANCE.

In our continued efforts to improve our communications and letter writing standards, an internal review of correspondence response times and letter quality began. As a result, no negative complaints were received in the first six months of the review.





MANAGING RISK

The Council has a risk management framework in place which includes a strategy aligning directly with International Standards.

The Risk Management Framework demonstrates the commitment to risk management and to foster a continuous improvement attitude to risk analysis and statistical reporting. The key strategies for risk management are to further embed a culture of risk management at both the strategic and operational level.

The Council monitors and manages its risks through a centralised system, and its Occupational Health and Safety Committee meets regularly, providing monthly reports to the organisation.

RECRUITMENT

A detailed Recruitment package has been developed for new job applicants detailing a range of information about council and conditions of employment.

A revised new staff induction process which over two days highlights and provides training for new staff in the critical areas of council such as information management, information systems, OH&S & risk and governance.

IMPROVING OUR SYSTEMS

INFORMATION AND COMMUNICATION TECHNOLOGY

Information and Communication Technology (ICT) continues to be a significant operational resource demand. To enable us to develop a plan for the on-going and future ICT requirements, a review of the Council's information systems has identified a number of initiatives that will ensure its infrastructure can continue to support our operations into the future.

Council's Information and Communication Technology Strategy 2013-2017 provides a technological roadmap for the effective management of information and technology to ensure information systems are controlled and maintained in line with the Council's business objectives and emerging trends.

Other systems improvements include:

- Improvement to the management of capital projects and associated funding.
- Moving to an e-tendering portal to ensure best practice for procurement.

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:

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

Examples of how Council gave effect to the Best Value Principals during the 2014/15 financial year included:

- development of Community Access and Inclusion and Early Years plans
- consultation programs included Benalla Airport Master Plan, Strategic Recreation Study and Benalla Aquatic Centre Redevelopment
- a review of the Customer Relations Strategy and Customer Relations Charter is near completion
- the commencement of a review of the Consultation and Communications Strategy
- new computer server equipment installed
- participation in the 2015 Local Government Community Satisfaction Survey
- project steering committees, which included community representatives, established for a variety of redevelopment projects, including the Benalla Aquatic Centre; Benalla Airport; and Benalla Visitor Information Centre
- 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 relationships 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
- information on the Act readily available to staff.

DOCUMENTS FOR PUBLIC INSPECTION

Listed below are documents available for public inspection pursuant to Section 11 of the Local Government (General) Regulations 2004. In accordance with Section 222 of the *Local Government Act 1989* inspection of these documents can be arranged by contacting the Governance Officer on 5760 2645.

- (a)** details of current allowances fixed for the Mayor, Lord Mayor (if any) and Councillors under section 74 or 74A of the Act;
- (b)** details of senior officers' total salary packages for the current financial year and the previous year including the gross salary, the amount of the Council or employer contribution to superannuation, the value of any motor vehicle provided by the Council and the total value of any other benefits and allowances provided by the Council;
- (c)** details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel;
- (d)** names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- (e)** names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted;
- (f)** agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- (g)** a list of all special committees established by Council and the purpose for which each committee was established;
- (h)** a list of all special committees established by the Council which were abolished or ceased to function during the financial year;

(i) minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;

(j) a register of delegations kept under sections 87, 88 and 98 of the Act, including the date on which the last review under section 98(6) of the Act took place;

(k) submissions received in accordance with section 223 of the Act during the previous 12 months;

(l) agreements to establish regional libraries under section 196 of the Act;

(m) details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;

(n) a register of authorised officers appointed under section 224 of the Act;

(o) a list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant;

(p) a list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council;

(q) a list of contracts valued at \$100 000 (or such higher amount as is fixed from time to time under section 186(1) of the Act or more.

(i) which the Council entered into during the financial year without first engaging in a competitive process; and

(ii) which are not contracts referred to in section 186(5) of the Act.

CONTRACTS

During the year the Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process.

DISABILITY ACTION PLAN

The Council began the process of a public consultation for the development of a Community Access and Inclusion Plan for adoption in August 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 four yearly intervals and evaluate its implementation in the Annual Report.

The Council adopted the Domestic Animal Management Plan 2012-16 in 3 July 2013.

FOOD ACT MINISTERIAL DIRECTIONS

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 functions 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 (eg, photocopying and search and retrieval charges).

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

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.

During the 2014-15 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.

VICTORIAN LOCAL GOVERNMENT INDICATORS

Indicator	Calculation	2014/15	2013/14
Average rates and charges per assessment	Total rates and charges receivable at beginning of year/Number of assessments in adopted budget	\$1,879	\$1,821
Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at beginning of year/ Number of residential assessments in adopted budget	\$1,555	\$1,516
Average liabilities per assessment	Total liabilities/Number of assessments in the adopted budget	\$2,536	\$1,909
Operating result per assessment	Net surplus/Number of assessments in the adopted budget	-\$237	-\$60
Average operating expenditure per assessment	Operating expenditure/ Number of assessments in the adopted budget	\$4,167	\$3,399
Community satisfaction rating for overall performance generally of Council	Result from Annual Local Government Satisfaction Survey	55	55
Average capital expenditure per assessment	Capital expenditure/ Number of assessments in the adopted budget	\$787	\$835
Renewal gap	Capital renewal / Average annual asset consumption	45%	121%
Renewal and maintenance gap	Capital renewal and maintenance/ Average annual asset consumption plus planned maintenance	64%	113%
Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from Annual Local Government Satisfaction Survey	52	53
Community satisfaction rating for Council's engagement in decision making on key local issues	Result from Annual Local Government Satisfaction Survey	52	51

ACCOUNTABILITY AND GOVERNANCE

Like all Local Government in Victoria, Benalla Rural City 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.

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

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

COUNCIL COMMITTEE SYSTEM AND MEETING CYCLE

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

Meeting type	Purpose
Assembly of Councillors	Information briefing for Councillors and management (not open to the public).
Planning and Development Committee	This Committee considers all matters relating to strategic and statutory planning and associated matters, infrastructure, environmental issues and matters referred to it from the Economic Development Committee. 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.
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: 12 Ordinary Meetings, 6 Special Meetings

Councillor attendance at Council meetings and Special Council meetings during 2014/15.

Councillor	Number of Council meetings attended	Number of Special Council meetings attended	Total
Cr Justin King (Mayor)	11	5	16
Cr Barbara Alexander	12	6	18
Cr Ellen Crocker	12	6	18
Cr Peter Davis	8	6	14
Cr Suzy Martin	11	6	17
Cr Margaret Richards	10	6	16
Cr Andrew Vale	10	3	13

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 2014/15

Councillor	Number of meetings attended	Number of meetings held
Cr Justin King (Mayor)	13	13
Cr Barbara Alexander	13	13
Cr Ellen Crocker	12	13
Cr Peter Davis	12	13
Cr Suzy Martin	12	13
Cr Margaret Richards	12	13
Cr Andrew Vale	9	13

PLANNING AND DEVELOPMENT COMMITTEE MEETINGS 2014/15

Councillor	Number of meetings attended	Number of meetings held
Cr Justin King (Mayor)	11	12
Cr Barbara Alexander	10	12
Cr Ellen Crocker	11	12
Cr Peter Davis	11	12
Cr Suzy Martin	12	12
Cr Margaret Richards	12	12
Cr Andrew Vale	7	12

BENALLA ART GALLERY SPECIAL COMMITTEE MEETINGS DURING 2014/15

Councillor	Number of meetings attended	Number of meetings held
Cr Suzy Martin	3	4
Cr Margaret Richards	3	4

COUCILLOR CODE OF CONDUCT

In March 2013, in accordance with the *Local Government Act 1989*, the Council adopted its revised Councillor Code of Conduct. The Councillor Code of Conduct sets out the standard of behaviour required 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 code provides a mechanism for dealing with internal disputes among the Councillors that are not related to the Council's decision making role.

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 2014/15 there were nine 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 2014/15 Benalla Rural City was classified as a Category 1 Council. On 5 June 2013 the Council resolved that the Mayoral and Councillor allowances be fixed at 2.5% 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 2014/15 an amount of \$4,139 was donated to the Benalla Botanical Gardens Adventure Park Project for the provision of an all abilities carousel from savings generated by the reduced Councillor allowance payments.

The table below presents the allowances paid to each Councillor during 2014/15:

Councillor	Allowance
Cr Justin King (Mayor)	49,353
Cr Barbara Alexander	30,275
Cr Ellen Crocker	19,991
Cr Peter Davis	19,991
Cr Suzy Martin	19,991
Cr Margaret Richards	19,991
Cr Andrew Vale	19,991

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 and 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	GradDip Bus (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 Cooida Village Inc. in Benalla. Experience 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 2014/15 financial year there was a quorum for each Audit Advisory Committee meeting, where the appointed Chair presided. Attendance of AAC members for the 2014/15 meeting schedule is summarised below

	July 2014	August 2014	October 2014	December 2014	April 2015
Wayne Neylon, Chair	✓	✓	✓	✓	✓
Rita HP Ruyters	✓	✓	✓	✓	✓
John Stapleton	✓	✓	✓	✓	✓
Cameron Gray	✓	✓	✓	✓	✓
Cr Barbara Alexander, Mayor	✓	✓	✓		
Cr Suzy Martin, Chair Finance & Operations Committee	✓		✓		
Cr Justin King, Mayor				✓	✓
Cr Barbara Alexander, Chair Finance & Operations Committee				✓	✓

Note: In November 2014, Cr Justin King was elected Mayor and Cr Barbara Alexander elected Chairperson of the Finance and 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 has been contracted to Richmond, Sinnott and Delahunty since 2003.

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; and
- review of financial statements.

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.
Advancing Benalla Executive	Addresses social disadvantage in the community.
Benalla Airport Advisory Committee	Assists Council in the management and operation of the Benalla Airport.
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 Future Directions Advisory Committee	The Committee has not yet commenced operation.
Benalla Saleyards Advisory Committee	Advises and assists in the management and development of the Benalla Livestock Marketing Centre.
Benalla Sports and Equestrian Centre Advisory Committee	Guides and assist 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: 1/10/2005	✓
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of current guidelines: 1/10/2005	✓
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: 24/06/2015	✓
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: 24/06/2015	✓
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: - Buildings 11/07/2012 - Roads 8/8/2012 - Bridges 8/8/12 - Footpaths and cycleways 5/9/2007	✓
6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of current strategy: 30/6/2015	✓
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of current policy: 14/07/2014	✓
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of current policy: 21/10/2011	✓
9	Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Plan Date maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> : 12/3/2015	✓
10	Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Policy Date prepared and approved in accordance with section 186A of the Local Government Act: 3/6/2015	✓

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: January 2011	✓
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: 28/2/2011	✓
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of current framework: 30/6/2014	✓
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: 1/2/2005	✓
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: 24/7/2003	✓
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: 1/7/2014	✓
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)	No report Reason for no report: Reported for full financial year in the annual review.	✗
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: 29/10/2014, Q2: 25/02/2015, Q3: 27/05/2015	✓
19	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date reports prepared and presented: HY: 31/12/2014, FY: 30/06/2015	✓
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)	Reports Reason for no reports: The 2013/14 Performance Statement was included in the Annual Report presented to Council on 5/11/2014. Completed the 1st quarter trial reporting through LGV and now finalising the 2014/15 Performance Statement.	✓

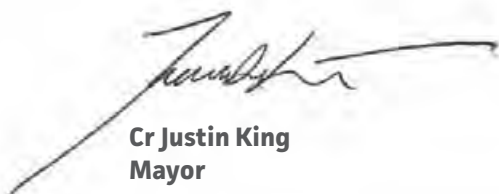
Governance and Management Item		Assessment
21	Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	<p>Considered at a meeting of Council in accordance with section 134 of the Act</p> <p>Annual report considered at a meeting of Council in accordance with section 134 of the Act</p>
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)	<p>Reviewed in accordance with section 76C of the Act</p> <p>Date reviewed: 6/3/2013</p>
23	Delegations (a document setting out the powers, duties and functions of Council and the Chief	<p>Reviewed in accordance with section 98(6) of the Act</p> <p>Date of review: 28/01/2015</p>
24	Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	<p>Meeting procedures local law made in accordance with section 91(1) of the Act</p> <p>Date Local Law made: 26/11/2008</p>

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



Robert Barber
Acting Chief Executive Officer

29 September 2015



Cr Justin King
Mayor

29 September 2015

PERFORMANCE STATEMENTS

PERFORMANCE STATEMENT

For the year ended 30 June 2015

Ref
Reg

17(1)

Description of municipality

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 13,597.

During the financial year council experienced a storm and bushfire event in the municipality. Extensive works were required to rectify damaged infrastructure.

SUSTAINABLE CAPACITY INDICATORS

for the year ended 30 June 2015

Ref Reg	Indicator/ <i>measure</i>	Results 2015	Material Variations
15(3) Sch3	Own-source revenue <i>Own-source revenue per head of municipal population</i> (Own-source revenue / Municipal population)	\$1,397	No material variations
16(1) 17(2)	Recurrent grants <i>Recurrent grants per head of municipal population</i> (Recurrent grants / Municipal population)	\$706	No material variations
	Population <i>Expenses per head of municipal population</i> (Total expenses / Municipal population)	\$2,401	An increase was recorded due to a rise in the Landfill Rehabilitation Provision \$5.502 million following a review of works required to meet the standard of a Type 2 landfill in the EPA (2014) "Best Practice Environmental Management Siting, Design, Operation and Rehabilitation of Landfills", Publication 788.2.
	<i>Infrastructure per head of municipal population</i> (Value of infrastructure / Municipal population)	\$13,816	Increased due to completion of the Civic Precinct Revitalisation project.
	<i>Population density per length of road</i> (Municipal population / Kilometres of local roads)	10	No material variations
	Disadvantage <i>Relative socio-economic disadvantage</i> (Index of Relative Socio- economic Disadvantage by decile)	2	No material variations

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 2015

Ref Reg	Service/Indicator/measure	Results 2015	Material Variations
15(3) Sch3 16(1) 17(2)	Governance Satisfaction <i>Satisfaction with council decisions</i> (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	51	Prior year results not available.
	Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> (Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x100	0%	There were no decisions taken to VCAT.
	Roads Satisfaction <i>Satisfaction with sealed local roads</i> (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	52	No material variations
	Libraries Participation <i>Active library members</i> (Number of active library members / Municipal population) x100	24%	No material variations
	Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100	32%	No material variations
	Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities / Municipal population)	6	The number of visits to the aquatic facilities is an estimate based on total visitations.
	Animal management Health and safety <i>Animal management prosecutions</i> (Number of successful animal management prosecutions)	8	No material variations

SERVICE PERFORMANCE INDICATORS

for the year ended 30 June 2015

Ref Reg	Service/ <i>Indicator/measure</i>	Results 2015	Material Variations
	Food safety Health and safety <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%	No material variations
	Home and community care Participation <i>Participation in HACC service</i> (Number of people that received a HACC service / Municipal target population for HACC services) x100	39%	No material variations
	Participation <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%	No material variations
	Maternal and child health Participation <i>Participation in the MCH service</i> (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x100	82%	No material variations
	Participation <i>Participation in the MCH service by Aboriginal children</i> (Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x100	85%	No material variations

SERVICE PERFORMANCE INDICATORS

for the year ended 30 June 2015

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 2015

Ref Reg	Dimension/indicator/ measure	Results	Forecasts				Material Variations
		2015	2016	2017	2018	2019	
15(2) Sch3 16(1) 16(2) 17(2) 17(3)	Operating position Adjusted underlying result <i>Adjusted underlying surplus or deficit</i> (Adjusted underlying surplus (deficit)/ Adjusted underlying revenue) x100	-12%	-7%	1%	1%	1%	2015 result impacted by an increase in the Landfill Rehabilitation Provision \$5.502 million following a review of works required to meet the standard of a Type 2 landfill in the EPA (2014) "Best Practice Environmental Management Siting, Design, Operation and Rehabilitation of Landfills", Publication 788.2.
	Liquidity Working capital <i>Current assets compared to current liabilities</i> (Current assets / Current liabilities) x100	127%	88%	106%	96%	94%	Liquidity is below 100% in the forecast period due to a number of capital works projects exceeding budget and Landfill Rehabilitation works being brought forward to 2015/16.
	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> (Unrestricted cash / Current liabilities) x100	55%	53%	71%	61%	60%	No material variations
	Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> (Interest bearing loans and borrowings / Rate revenue) x100	47%	41%	36%	31%	28%	No material variations
	<i>Loans and borrowings repayments compared to rates</i> (Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x100	9%	8%	7%	6%	6%	No material variations

Ref Reg	Dimension/indicator/ measure	Results	Forecasts				Material Variations
		2015	2016	2017	2018	2019	
	Indebtedness						
	<i>Non-current liabilities compared to own source revenue</i> (Non-current liabilities / Own source revenue) x100	68%	66%	61%	53%	50%	2015 result impacted by an increase in the Landfill Rehabilitation Provision \$5.502 million following a review of works required to meet the standard of a Type 2 landfill in the EPA (2014) "Best Practice Environmental Management Siting, Design, Operation and Rehabilitation of Landfills", Publication 788.2.
	Asset renewal	45%	50%	33%	42%	46%	
	<i>Asset renewal compared to depreciation</i> (Asset renewal expenses / Asset depreciation) x100						Reliance on capital grant funding and available liquidity to undertake renewal works using own funds.
	Stability						
	Rates concentration						
	<i>Rates compared to adjusted underlying revenue</i> (Rate revenue / Adjusted underlying revenue) x100	50%	62%	59%	60%	60%	Indicator increases from 2016 due to recurrent grants decreasing by \$3.8 million.
	Rates effort						
	<i>Rates compared to property values</i> (Rate revenue / Capital improved value of rateable properties in the municipality) x100	0.6%	0.6%	0.7%	0.7%	0.7%	No material variations
	Efficiency						
	Expenditure level						
	<i>Expenses per property assessment</i> (Total expenses / Number of property assessments)	\$4,399	\$3,614	\$3,599	\$3,725	\$3,833	2015 result impacted by an increase in the Landfill Rehabilitation Provision \$5.502 million following a review of works required to meet the standard of a Type 2 landfill in the EPA (2014) "Best Practice Environmental Management Siting, Design, Operation and Rehabilitation of Landfills", Publication 788.2.

Ref Reg	Dimension/indicator/ measure	Results	Forecasts				Material Variations
		2015	2016	2017	2018	2019	
	Efficiency (cont'd)						
	Revenue level						
	<i>Average residential rate per residential property assessment</i> (Residential rate revenue / Number of residential property assessments)	\$1,532	\$1,532	\$1,532	\$1,532	\$1,532	No material variations
	Workforce turnover						
	<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%	16%	15%	15%	15%	No material variations

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 2015

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 24 June 2015 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
18(2) with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.



(Brett Davies, CPA)

Principal Accounting Officer

Dated: 2 September 2015

- 18(2) In our opinion, the accompanying performance statement of the *Benalla Rural City Council* for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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



Justin King

Mayor Councillor

Dated: 2 September 2015



Barbara Alexander

Councillor

Dated: 2 September 2015



Tony McIlroy

Chief Executive Officer

Dated: 2 September 2015

AUDITOR-GENERAL'S REPORT

for the year ended 30 June 2015

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Benalla Rural City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2015 of the Benalla Rural City Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

AUDITOR-GENERAL'S REPORT

for the year ended 30 June 2015

Independent Auditor's Report (continued)

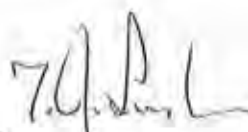
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Benalla Rural City Council in respect of the 30 June 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
8 September 2015


Per John Doyle
Auditor-General

FINANCIAL REPORT

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COMPREHENSIVE INCOME STATEMENT

for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Income			
Rates and charges	3	14,724	14,113
Statutory fees and fines	4	248	187
User fees	5	3,482	2,528
Grants - operating	6	8,512	4,645
Grants - capital	6	3,288	4,028
Contributions - monetary	7	-	-
Contributions - non monetary	7	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	-	(229)
Fair value adjustments for investment property	24	-	-
Share of net profits/(losses) of associates and joint ventures	16	28	19
Other income	9	511	581
Total income		30,793	25,872
Expenses			
Employee costs	10	11,116	10,909
Materials and services	11	11,228	10,264
Bad and doubtful debts	12	6	8
Depreciation and amortisation	13	3,745	3,503
Borrowing costs	14	319	358
Other expenses	15	6,232	1,297
Total expenses		32,646	26,339
Surplus/(deficit) for the year		(1,853)	(467)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	23(a)	2,028	8,872
Share of other comprehensive income of associates and joint ventures	16	(6)	1
Total comprehensive result		169	8,406

The above comprehensive income statement should be read in conjunction with the accompanying notes set out on pages 103 to 138.

BALANCE SHEET

as at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	5,332	3,022
Trade and other receivables	18	2,079	1,943
Other financial assets	19	1,273	2,959
Inventories	20	25	33
Non-current assets classified as held for sale	21	-	-
Other assets	22	57	31
Total current assets		8,766	7,988
Non-current assets			
Trade and other receivables	18	-	-
Investments in associates and joint ventures	16	507	485
Property, infrastructure, plant and equipment	23	215,678	211,229
Investment property	24	-	-
Intangible assets	25	-	-
Total non-current assets		216,185	211,714
Total assets		224,951	219,702
Liabilities			
Current liabilities			
Trade and other payables	26	2,057	2,359
Trust funds and deposits	27	619	583
Provisions	28	3,034	2,276
Interest-bearing loans and borrowings	29	1,197	1,352
Total current liabilities		6,907	6,570
Non-current liabilities			
Provisions	28	7,213	2,271
Interest-bearing loans and borrowings	29	5,753	5,952
Total non-current liabilities		12,966	8,223
Total liabilities		19,873	14,793
Net assets		205,078	204,909
Equity			
Accumulated surplus		125,300	127,173
Reserves	30	79,778	77,736
Total Equity		205,078	204,909

The above comprehensive income statement should be read in conjunction with the accompanying notes set out on pages 103 to 138.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2015					
Balance at beginning of the financial year		204,909	127,173	77,488	248
Surplus/(deficit) for the year		(1,859)	(1,859)	-	-
Net asset revaluation increment/(decrement)	30(a)	2,028	-	2,028	-
Transfers to other reserves	30(b)	-	(110)	-	110
Transfers from other reserves	30(b)	-	96	-	(96)
Balance at end of the financial year		205,078	125,300	79,516	262

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2014					
Balance at beginning of the financial year		196,503	127,755	68,615	133
Surplus/(deficit) for the year		(467)	(467)	-	-
Net asset revaluation increment/(decrement)	30(a)	8,873	-	8,873	-
Transfers to other reserves	30(b)	-	-	-	-
Transfers from other reserves	30(b)	-	(115)	-	115
Balance at end of the financial year		204,909	127,173	77,488	248

The above comprehensive income statement should be read in conjunction with the accompanying notes set out on pages 103 to 138.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

	Note	2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		14,640	13,944
Statutory fees and fines		248	187
User fees		4,238	2,624
Grants		11,340	9,598
Contributions - monetary		-	-
Interest received		224	334
Dividends received		-	-
Trust funds and deposits taken		115	233
Other receipts		284	259
Net GST refund/payment		1,359	1,123
Employee costs		(10,866)	(10,838)
Materials and services		(13,502)	(12,548)
Trust funds and deposits repaid		(79)	(83)
Net cash provided by/(used in) operating activities	31	8,001	4,833
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	23	(6,704)	(6,194)
Proceeds from sale of property, infrastructure, plant and equipment		-	250
Payments for investments		(1,273)	(2,959)
Proceeds from sale of investments		2,959	4,991
Loans and advances made		-	-
Payments of loans and advances		-	-
Net cash provided by/(used in) investing activities		(5,018)	(3,912)
Cash flows from financing activities			
Finance costs		(319)	(358)
Proceeds from borrowings		1,000	1,215
Repayment of borrowings		(1,354)	(1,369)
Net cash provided by/(used in) financing activities		(673)	(512)
Net increase (decrease) in cash and cash equivalents		2,310	409
Cash and cash equivalents at the beginning of the financial year		3,022	2,613
Cash and cash equivalents at the end of the financial year	32	5,332	3,022
Financing arrangements	33		
Restrictions on cash assets	17		

The above comprehensive income statement should be read in conjunction with the accompanying notes set out on pages 103 to 138.

STATEMENT OF CAPITAL WORKS

for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Property			
Land		-	10
Total land		-	10
Buildings		2,053	4,053
Total buildings		2,053	4,053
Total property		2,053	4,063
Plant and equipment			
Plant, machinery and equipment		31	138
Fixtures, fittings and furniture		274	-
Total plant and equipment		305	138
Infrastructure			
Roads		1,671	2,124
Bridges		640	-
Footpaths and cycleways		125	-
Drainage		125	16
Waste management		1,247	97
Parks, open space and streetscapes		-	36
Total infrastructure		3,808	2,273
Total capital works expenditure		6,166	6,474
Represented by:			
New asset expenditure		2,058	461
Asset renewal expenditure		1,687	4,228
Asset upgrade expenditure		2,421	1,785
Total capital works expenditure		6,166	6,474

The above comprehensive income statement should be read in conjunction with the accompanying notes set out on pages 103 to 138.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

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 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 Australian Accounting Standard'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))

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 2015, 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.

Entities consolidated into Council include:

- 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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(e) 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.

Joint arrangements

Council does not have any joint operations or joint ventures.

(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

Council has not recognised any dividends.

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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

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

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

(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. Inventories are measured at the lower of cost and net realisable value.

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 to sell, 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, plant and equipment, infrastructure, 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 amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(m) Recognition and measurement of property, plant and equipment, infrastructure, intangibles (cont'd)

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 on 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, and infrastructure.

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 2015 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 the 2015/16 financial report.

(n) Depreciation of property, infrastructure, plant and equipment.

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

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

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

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

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

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NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(n) Depreciation of property, infrastructure, plant and equipment (cont'd)

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
land	-	-
Buildings		
buildings	60 to 100 years	5
Plant and Equipment		
plant, machinery and equipment	4 to 33 years	5
fixtures, fittings and furniture	4 to 33 years	1
computers and telecommunications	4 to 33 years	1
Infrastructure		
roads	15 to 200 years	5
bridges	80 to 100 years	5
footpaths and cycleways	15 to 75 years	5
drainage	100 years	5
waste management	1.5 years	5
off street car parks	15 to 200 years	5
Artworks	-	-

(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

Council does not have any investment property.

(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 to sell 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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

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 included interest on bank overdrafts and interest on borrowings.

(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 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 the Benalla Resource 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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(v) Leases

Finance leases

Council does not have any finance leases.

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

Council does not have any leasehold improvements.

(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 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

Certain new Australian Accounting Standards have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

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 and \$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 9 July 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue 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 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
Income				
Rates and charges	14,813	14,724	(89)	
Statutory fees and fines	-	248	248	1
User fees	2,637	3,482	845	2
Grants - operating	6,295	8,512	2,217	3
Grants - capital	2,982	3,288	306	4
Share of net profits/(losses) of associates and joint ventures	-	28	28	
Other income	497	511	14	
Total income	27,224	30,793	3,569	
Expenses				
Employee costs	11,233	11,116	117	
Materials and services	9,304	11,228	(1,924)	5
Bad and doubtful debts	-	6	(6)	
Depreciation and amortisation	3,821	3,745	76	
Borrowing costs	327	319	8	
Other expenses	722	6,232	(5,510)	6
Total expenses	25,407	32,646	(7,239)	
Surplus/(deficit) for the year	1,817	(1,853)	(3,670)	

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 2 Budget comparison (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	This item was budgeted together with User Fees.
2	User fees	Aquatic Centre fees of \$694,000 were not budgeted for. Landfill admission charges were \$424,000 more than budget. This favourable variance included the collection of \$169,000 in Environmental Protection Authority (EPA) levies which were passed back to the EPA. Building registration and permit fees were \$94,000 more than budget which was offset by a reduction in Home and Community Care service fees \$206,000.
3	Grants - operating	Half of the 2015/16 Financial Assistance Grant of \$1.917 million was paid in advance by the Victorian Grants Commission.
4	Grants - capital	Grants relating to the Benalla Adventure Park \$160,000 and resealing of the Churchill Park netball courts \$72,000 were received but not budgeted for.
5	Materials and services	Materials and services expenses were \$1.924 million more than budget. Gross Aquatic Centre expenses of \$694,000 were not budgeted for and offset by revenue of \$694,000. Costs of \$257,000 from the November 2014 storm and December 2014 Bushfire events were not budgeted for. \$146,000 has been recovered through Natural Disaster Assistance funding to offset these costs. EPA levies of \$169,000 were offset by matching revenue collected. New waste collection contract arrangements of \$135,000 were not budgeted for. The Swanpool Community Project \$87,000 was budgeted as a capital item but later recognised as a non-Council owned asset. Advancing Country Towns grant funding was received in the 2013/14 and expenditure of \$80,000 incurred in 2014/15. IT support services of \$66,000 were budgeted for in employee costs. The remaining variance to budget related to a number of small administrative expenses.
6	Other expenses	Increase in the Landfill Rehabilitation Provision by \$5.502 million following a review of works required to meet the standard of a Type 2 landfill in the EPA (2014) "Best Practice Environmental Management Siting, Design, Operation and Rehabilitation of Landfills", Publication 788.2.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
Property				
Land	-	-	-	
Total Land	-	-	-	
Buildings	1,700	2,053	353	1
Total Buildings	1,700	2,053	353	
Total Property	1,700	2,053	353	
Plant and Equipment				
Plant, machinery and equipment	30	31	1	
Fixtures, fittings and furniture	178	274	96	
Total Plant and Equipment	208	305	97	
Infrastructure				
Roads	1,482	1,671	189	2
Bridges	968	640	(328)	3
Footpaths and cycleways	185	125	(60)	
Drainage	300	125	(175)	4
Waste management	1,150	1,247	97	
Total Infrastructure	4,085	3,808	(277)	
Total Capital Works Expenditure	5,993	6,166	173	
Represented by:				
New asset expenditure	1,515	2,058	543	5
Asset renewal expenditure	2,541	1,687	(854)	6
Asset upgrade expenditure	1,937	2,421	484	7
Total Capital Works Expenditure	5,993	6,166	173	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Building works were \$0.353 million more than budget due to Civic Precinct projects, BPACC Refurbishment, Airport Masterplan and Enterprise Park projects being expended in 2014/15 but budgeted for in 2013/14.
2	Roads	The cost to complete the Ackerly Avenue bridge project was \$240,000 less than budgeted, therefore this excess funding relating to the Country Roads and Bridges Initiative was reallocated to road resealing works.
3	Bridges	The cost to complete the Ackerly Avenue bridge project was \$240,000 less than budgeted, therefore this excess funding relating to the Country Roads and Bridges Initiative was reallocated to road resealing works.
4	Drainage	The Devenish Drainage project will now be completed in 2015/16.
5	New	New asset expenditure was \$0.543 million more than budget due to, Landfill, Airport Masterplan and Enterprise Park projects being expended in 2014/15 but budgeted for in 2013/14.
6	Asset Renewal	\$1 million of Country Roads and Bridges Initiative funding was budgeted as renewal, however the Ackerly Avenue bridge project has been classified as upgrade expenditure.
7	Asset Upgrade	\$1 million of Country Roads and Bridges Initiative funding was budgeted as renewal, however the Ackerly Avenue bridge project has been classified as upgrade expenditure.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

	2015	2014
	\$'000	\$'000

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 2014/15 was \$2,408 million (2013/14 \$2,374 million). Council uses differential rates for the calculation of rates.

General Rates	11,106	10,649
Municipal charge	1,586	1,532
Waste management charge	2,032	1,932
Total rates and charges	14,724	14,113

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, by Mr Marcus Hann, F.A.O.I., Certified Practising Valuer of LG Valuation Services Pty Ltd, based in Kyabram. The valuation first applied to the rating year commencing 1 July 2014.

Note 4 Statutory fees and fines

Infringements and costs	69	58
Court recoveries	3	-
Town planning fees	140	90
Land information certificates	11	9
Permits	25	30
Total statutory fees and fines	248	187

Note 5 User fees

Aged and health services	499	497
Leisure centre and recreation	1,070	432
Child care/children's programs	45	48
Parking	20	14
Registration and other permits	161	142
Building services	74	33
Waste management services	1,390	1,099
Other fees and charges	223	263
Total user fees	3,482	2,528

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	8,351	4,656
State funded grants	3,449	4,017
Total	11,800	8,673
Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Victoria Grants Commission	5,768	1,892
Family day care	503	503
Aged care	612	596
<i>Recurrent - State Government</i>		
Arts Victoria	140	140
Aged care	408	424
School crossing supervisors	22	36
Family Support	195	186
Maternal and child health	178	176
Youth Programs	25	-
Fire Services Levy Support	39	-
Other	22	55
Total recurrent operating grants	7,912	4,008
<i>Non-recurrent - Commonwealth Government</i>		
Natural Disaster Assistance	146	-
<i>Non-recurrent - State Government</i>		
Advancing Country Towns	111	154
ANZAC Commemorative Partnership Project	10	-
Arts and Culture	-	23
Fire Recovery Event	20	-
Walk to School Program	10	-
Waminda Safe Lighting Project	30	44
Aged care	72	102
Youth Programs	45	76
Environmental Projects	32	51
Economic Development Programs	23	58
Emergency Resourcing	43	-
Private Works	46	-
Recreational Planning	-	27
Resilient Communities	-	90
Other	12	12
Total non-recurrent operating grants	600	637
Total operating grants	8,512	4,645
Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	685	874
<i>Recurrent - State Government</i>		
Country Roads and Bridges Initiative	1,000	1,000
Total recurrent capital grants	1,685	1,874
<i>Non-recurrent - Commonwealth Government</i>		
Buildings	637	289
Roads	-	502
Plant, machinery and equipment	-	-
Drainage	-	-
Footpaths and cycleways	-	-
<i>Non-recurrent - State Government</i>		
Project Feasibility Planning	-	300
Recreational, leisure and community facilities	72	-
Parks, open space and streetscapes	160	-
Drainage	15	135
Roads	141	-
Buildings	578	928
Total non-recurrent capital grants	1,603	2,154
Total capital grants	3,288	4,028
Conditions on grants		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	321	683
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	596	2,199
Net increase(decrease) in restricted assets resulting from grant revenues for the year:	(275)	(1,516)

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 7 Contributions		
Council does not have any contributions.		
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	-	250
Write down value of assets disposed	-	(479)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(229)
Note 9 Other income		
Interest	227	322
Contributions	284	259
Total other income	511	581
Note 10 (a) Employee costs		
Wages and salaries	9,827	9,703
WorkCover	306	282
Superannuation	895	858
Fringe benefits tax	88	66
Total employee costs	11,116	10,909
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	158	173
	<u>158</u>	<u>173</u>
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	376	372
Employer contributions - other funds	360	306
	<u>736</u>	<u>678</u>
Employer contributions payable at reporting date.	61	58

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

Accumulation

The Fund's accumulation categories, Vision MySuper/ Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/14, this was 9.25%)).

Defined Benefit

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

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 11 Materials and services		
Materials & Services	3,709	2,748
Contract Payments	2,144	2,424
Vehicle expenses	946	950
Contract Staff	515	539
Consultants General	441	355
Environmental Protection Authority Levy	423	299
Electricity	340	304
Insurance	338	305
Membership & Subscriptions	309	244
Repairs & Maintenance	222	246
Advertising & Promotion	169	199
Cleaning Expenses	166	137
Staff Training / Courses	161	124
Telephone	145	148
Management Committees	117	128
Other	1,083	1,114
Total materials and services	11,228	10,264
Note 12 Bad and doubtful debts		
Other debtors	6	8
Total bad and doubtful debts	6	8
Note 13 Depreciation		
Property	599	527
Plant and equipment	209	256
Infrastructure	2,937	2,720
Total depreciation	3,745	3,503
<i>Refer to note 23 for a more detailed breakdown of depreciation</i>		
Note 14 Borrowing costs		
Interest - Borrowings	319	358
Total borrowing costs	319	358
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	44	34
Auditors' remuneration - Internal	13	19
Councillors' allowances	179	170
Contributions - Community Support	76	74
Contributions - High Country Library Corporation	366	301
Contributions - State Emergency Service	27	26
Contributions - Benalla Art Gallery Trust	25	-
Recognition of additional landfill rehabilitation provision	5,502	145
Impairment write-down of landfill rehabilitation asset	-	528
Total other expenses	6,232	1,297

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 16 Investment in associates, joint arrangements and subsidiaries

	2015	2014
	\$'000	\$'000
a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- High Country Library Corporation - Share in ownership with three other Council's is 23.12%	507	485
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	295	276
Reported surplus/(deficit) for year	28	19
Transfers (to) from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus/(deficit) at end of year	323	295
Council's share of reserves		
Council's share of reserves at start of year	190	189
Transfers (to) from reserves	(6)	1
Council's share of reserves at end of year	184	190
Movement in carrying value of specific investment		
Carrying value of investment at start of year	485	465
Share of surplus/(deficit) for year	28	19
Share of asset revaluation	(6)	1
Distributions received	-	-
Carrying value of investment at end of year	507	485
Council's share of expenditure commitments		
Operating commitments	17	15
Capital commitments	-	-
Council's share of expenditure commitments	17	15

b) Subsidiaries

Council does not have any subsidiaries.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 17 Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	3,724	1,906
Term deposits (with maturity terms less than 90 days)	1,606	1,114
	5,332	3,022
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)	619	583
Total restricted funds	619	583
Total unrestricted cash and cash equivalents	4,713	2,439
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	1,857	1,961
- include details of other allocated amounts	-	-
Total funds subject to intended allocations	1,857	1,961
Note 18 Trade and other receivables		
Current		
Rates debtors	803	715
Other debtors	1,289	1,236
Provision for doubtful debts - other debtors	(13)	(8)
Total current trade and other receivables	2,079	1,943
Total trade and other receivables	2,079	1,943
a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	930	481
Past due by up to 30 days	91	42
Past due between 31 and 180 days	20	40
Past due between 181 and 365 days	5	339
Past due by more than 1 year	127	19
Total trade & other receivables	1,173	921
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	(8)	(8)
New Provisions recognised during the year	(5)	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	(13)	(8)
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$13,000 (2014: \$8,000) were impaired. The amount of the provision raised against these debtors was \$13,000 (2014: \$8,000). The 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	(13)	(8)
Total trade & other receivables	(13)	(8)

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 19 Other financial assets		
Term deposits (with maturity terms greater than 90 days)	1,273	2,959
Total other financial assets	1,273	2,959
Note 20 Inventories		
Inventories held for distribution	25	33
Total inventories	25	33
Note 21 Non current assets classified as held for sale		
Council does not have any non current assets classified as held for sale.		
Note 22 Other assets		
Prepayments	57	31
Total other assets	57	31

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 23 Property, infrastructure plant and equipment

	Land - specialised		Land - non specialised	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
Land and Buildings	Note								
At fair value 1 July 2014	27,283	540	540	27,823	41,616	3,844	45,460	2,310	75,593
Accumulated depreciation at 1 July 2014	-	-	-	-	(20,738)	(54)	(20,792)	-	(20,792)
	27,283	540	540	27,823	20,878	3,790	24,668	2,310	54,801
Movements in fair value									
Acquisition of assets at fair value	-	-	-	-	13	1,917	1,930	123	2,053
Revaluation increments/decrements	-	-	-	-	-	-	-	-	-
Fair value of assets disposed	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	2,214	2,214	(2,214)	-
	-	-	-	-	13	4,131	4,144	(2,091)	2,053
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(480)	(119)	(599)	-	(599)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	-	-	-	-	(480)	(119)	(599)	-	(599)
At fair value 30 June 2015	27,283	540	540	27,823	41,629	7,975	49,604	219	77,646
Accumulated depreciation at 30 June 2015	-	-	-	-	(21,218)	(173)	(21,391)	-	(21,391)
	27,283	540	540	27,823	20,411	7,802	28,213	219	56,255

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 23 Property, infrastructure plant and equipment (cont'd)

	Note	Plant machinery and equipment	Fixtures fittings and furniture	Work In Progress	Total plant and equipment
Plant and Equipment					
At fair value 1 July 2014		2,635	1,828	-	4,463
Accumulated depreciation at 1 July 2014		(1,885)	(1,413)	-	(3,298)
		750	415	-	1,165
Movements in fair value					
Acquisition of assets at fair value		31	262	13	306
Revaluation increments/decrements		-	-	-	-
Fair value of assets disposed		-	-	-	-
Impairment losses recognised in operating result		-	-	-	-
Transfers		-	-	-	-
		31	262	13	306
Movements in accumulated depreciation					
Depreciation and amortisation		(118)	(91)	-	(209)
Accumulated depreciation of disposals		-	-	-	-
Impairment losses recognised in operating result		-	-	-	-
Transfers		-	-	-	-
		(118)	(91)	-	(209)
At fair value 30 June 2015		2,666	2,090	13	4,756
Accumulated depreciation at 30 June 2015		(2,003)	(1,504)	-	(3,507)
		663	586	13	1,262

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont'd)

Infrastructure	Note	Roads	Bridges	Footpaths and cycleway	Drainage	Waste Management	Work In Progress	Total Infrastructure
At fair value 1 July 2014		175,911	19,134	7,023	16,537	521	377	219,503
Accumulated depreciation at 1 July 2014		(65,534)	(5,479)	(2,586)	(3,393)	(521)	-	(77,513)
		110,377	13,655	4,437	13,144	-	377	141,990
Movements in fair value								
Acquisition of assets at fair value		1,671	638	9	114	-	1,376	3,808
Revaluation increments/decrements		3,196	131	250	(1,549)	-	-	2,028
Fair value of assets disposed		-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	(1)	(1)
Transfers		1	23	-	113	-	(137)	-
		4,868	792	259	(1,322)	-	1,238	5,835
Movements in accumulated depreciation								
Depreciation and amortisation		(2,440)	(217)	(114)	(166)	-	-	(2,937)
Accumulated depreciation of disposals		-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-
		(2,440)	(217)	(114)	(166)	-	-	(2,937)
At fair value 30 June 2015		180,779	19,926	7,282	15,215	521	1,615	225,338
Accumulated depreciation at 30 June 2015		(67,974)	(5,696)	(2,700)	(3,559)	(521)	-	(80,450)
		112,805	14,230	4,582	11,656	-	1,615	144,888

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont'd)

Artworks	Note	Artworks
At fair value 1 July 2014		13,273
Accumulated depreciation at 1 July 2014		
		<u>13,273</u>
Movements in fair value		
Acquisition of assets at fair value		-
Revaluation increments/decrements		-
Fair value of assets disposed		-
Impairment losses recognised in operating result		-
Transfers		-
		<u>-</u>
Movements in accumulated depreciation		
Depreciation and amortisation		-
Accumulated depreciation of disposals		-
Impairment losses recognised in operating result		-
Transfers		-
		<u>-</u>
At fair value 30 June 2015		13,273
Accumulated depreciation at 30 June 2015		-
		<u>13,273</u>

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment cont'd

Valuation of land and buildings

Valuation of land and buildings were undertaken by Marcus L W Hann, AAPI, Certified Practising Valuer, of LG Valuation Services. The date of the valuation was 30 June 2012. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Specialised land	-	-	27,283
Specialised buildings	-	-	20,411
Total	-	-	47,694

Valuation of infrastructure

Valuation of infrastructure assets were valued by Mr Ashley Bishop, Council's Assets Officer as at 30 June 2015.

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 2015 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	112,806
Bridges	-	-	14,230
Footpaths and cycleways	-	-	4,582
Drainage	-	-	11,656
Total	-	-	143,274

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 artworks and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Artworks	-	13,273	-
Total	-	13,273	-

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment cont'd

2015
\$'000

2014
\$'000

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.55 and \$290 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and ranges from \$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 year 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 year to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land

Land under roads

-

-

Parks and reserves

27,283

27,283

Total specialised land

27,283

27,283

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

		2015 \$'000	2014 \$'000
Note 24	Investment property		
	Council does not have any investment properties.		
Note 25	Intangible assets		
	Council does not have any intangible assets.		
Note 26	Trade and other payables		
	Trade payables	1,391	1,761
	Accrued expenses	666	598
	Total trade and other payables	2,057	2,359
Note 27	Trust funds and deposits		
	Refundable deposits	169	163
	Other refundable deposits	450	420
	Total trust funds and deposits	619	583
	<i>Purpose and nature of items</i>		
	Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.		
	Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process. Accrued expenses includes a net payable of \$38,000 (\$83,000 2013/14) for Fire Services Levy.		

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 28 Provisions

	Landfill restoration	Other	Total
	\$ '000	\$ '000	\$ '000
2015			
Balance at beginning of the financial year	2,020	2,527	4,547
Additional provisions	5,456	985	6,441
Amounts used	-	(813)	(813)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	46	26	72
Balance at the end of the financial year	7,522	2,725	10,247
2014			
Balance at beginning of the financial year	1,875	2,358	4,233
Additional provisions	145	948	1,093
Amounts used	-	(785)	(785)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	6	6
Balance at the end of the financial year	2,020	2,527	4,547
		2,015	2,014
		\$'000	\$'000
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		760	750
Long service leave		134	177
		894	927
Current provisions expected to be wholly settled after 12 months			
Long service leave		1,537	1,349
		1,537	1,349
Total current provisions		2,431	2,276
Non-current			
Long service leave		294	251
Total non-current provisions		294	251
Aggregate carrying amount of employee provisions:			
Current		894	927
Non-current		294	251
Total aggregate carrying amount of employee provisions		1,188	1,178
The following assumptions were adopted in measuring the present value of employee benefits:			
Weighted average increase in employee costs		3.80%	3.80%
Weighted average discount rates		2.53%	3.10%
Weighted average settlement period		10 mths	10 mths

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 28

Provisions (cont'd) (b) Land fill restoration

Current	603	-
Non-current	6,919	2,020
	7,522	2,020

The following assumptions were adopted in measuring the present value of landfill rehabilitation:

Weighted average increase in costs	2.40%	2.40%
Weighted average discount rates	2.53%	2.53%
Weighted average settlement period	6 yrs	6 yrs

The Landfill Rehabilitation Provision has increased by \$5.502 million following a review of works required to meet the standard of a Type 2 landfill in the EPA (2014) "Best Practice Environmental Management Siting, Design, Operation and Rehabilitation of Landfills", Publication 788.2.

Note 29

Interest-bearing loans and borrowings

Current

Borrowings - secured	1,197	1,352
	1,197	1,352

Non-current

Borrowings - secured	5,753	5,952
	5,753	5,952
Total	6,950	7,304

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

Not later than one year	1,197	1,352
Later than one year and not later than five years	3,567	3,586
Later than five years	2,186	2,366
	6,950	7,304

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 30 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
2015			
Property			
Land	19,963	-	19,963
Buildings	10,791	-	10,791
	<u>30,754</u>	<u>-</u>	<u>30,754</u>
Infrastructure			
Roads	38,943	3,196	42,139
Bridges	1,444	131	1,575
Footpaths and cycleways	-	250	250
Drainage	1,998	(1,549)	449
Recreational, leisure and community facilities	-	-	-
Waste management	-	-	-
Parks, open space and streetscapes	-	-	-
Other infrastructure	-	-	-
Artworks	4,349	-	4,349
	<u>46,734</u>	<u>2,028</u>	<u>48,762</u>
Total asset revaluation reserves	77,488	2,028	79,516

2014			
Property			
Land	19,963	-	19,963
Buildings	10,791	-	10,791
	<u>30,754</u>	<u>-</u>	<u>30,754</u>
Infrastructure			
Roads	29,522	9,421	38,943
Bridges	273	1,171	1,444
Footpaths and cycleways	-	-	-
Drainage	2,018	(20)	1,998
Recreational, leisure and community facilities	-	-	-
Waste management	-	-	-
Parks, open space and streetscapes	-	-	-
Other infrastructure	-	-	-
Artworks	6,049	(1,700)	4,349
	<u>37,862</u>	<u>8,872</u>	<u>46,734</u>
Total asset revaluation reserves	68,616	8,872	77,488

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	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000	\$'000
2015				
Resort and Recreation	105	-	(71)	34
Winton Land	35	-	(25)	10
Benalla Urban Growth Headworks Charge	38	40	-	78
Lake Mokoan Inlet Channel	70	70	-	140
Total Other reserves	248	110	(96)	262
2014				
Resort and Recreation	98	7	-	105
Winton Land	35	-	-	35
Benalla Urban Growth Headworks Charge	-	38	-	38
Lake Mokoan Inlet Channel	-	70	-	70
Total Other reserves	133	115	-	248

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 30 Reserves (cont.)

Reserve Nature and Purpose

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

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

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

Lake Mokoan Inlet Channel A reserve of \$69,500 is to be made annually over the next 10 years to re-instate the compensation of \$695,000 received from Goulburn Murray Water in relation to the transfer of assets of the decommissioned Lake Mokoan Inlet Channel. The funding received under the terms of the agreement was to compensate the Council for the ongoing renewal of these assets and was not restricted. In the short term, the Council utilised the excess cash to part fund the acquisition of the former Australia Post building at 1 Bridge Street East, Benalla.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 31 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	(1,853)	(467)
Depreciation	3,745	3,503
Profit/(loss) on disposal of property, infrastructure, plant and equipment	-	229
Impairment losses	-	528
Other	887	339
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(158)	355
(Increase)/ decrease in prepayments	(26)	(3)
Increase/(decrease) in trade and other payables	(302)	31
Increase/(decrease) in employee provisions	198	-
(Increase)/decrease in inventories	8	4
Increase/(decrease) in landfill rehabilitation provision	5,502	314
Net cash provided by/(used in) operating activities	<u>8,001</u>	<u>4,833</u>
Note 32 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 17)	5,332	3,022
	<u>5,332</u>	<u>3,022</u>
Note 33 Financing arrangements		
Council is currently not utilising any bank overdraft facilities.		

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 34 Commitments

The Council has entered into the following commitments

2015	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling	298	298	893	1,191	2,680
Garbage collection	670	670	2,011	2,681	6,032
Organics	427	427	1,281	1,708	3,843
YMCA Benalla Aquatic Centre	535	-	-	-	535
Meals for delivery	50	-	-	-	50
Total	1,980	1,395	4,185	5,580	13,140
Capital					
Waste Management	882	-	-	-	882
Total	882	-	-	-	882

2014	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling and Waste Collection	1,200	-	-	-	1,200
Green Waste and Timber Mulching	31	31	10	-	72
Powerline Clearance	70	72	74	-	216
Slashing Lawnmowing	75	77	78	-	230
Vegetation Clearance	40	40	40	-	120
YMCA Benalla Aquatic Centre	523	-	-	-	523
Cleaning contracts for council buildings	124	128	132	-	384
Meals for delivery	176	176	176	-	528
Total	2,239	524	510	-	3,273
Capital					
Buildings	1,259	-	-	-	1,259
Aerodrome	110	-	-	-	110
Total	1,369	-	-	-	1,259

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 35		
Operating leases		
(a) Operating lease commitments		
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	319	261
Later than one year and not later than five years	271	374
Later than five years	-	-
	<u>590</u>	<u>635</u>

(b) Operating lease receivables

Council does not have any operating lease receivables.

Note 36 **Contingent liabilities and contingent assets**

Contingent liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. 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.

Funding arrangements

Benalla Rural City Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Benalla Rural City Council is a contributing employer was 103.4%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	7.5% pa
Salary information	4.25% pa
Price inflation (CPI)	2.75% pa

Vision Super has advised that the actual VBI at quarter ending June 2015, was 105.8%.

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

Employer contributions

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Benalla Rural City 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 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

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

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 36 Contingent liabilities and contingent assets

Contingent liabilities (cont.)

Funding calls

If the defined benefit category is in an unsatisfactory financial position at 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 Benalla Rural City 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.

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Benalla Rural City Council is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 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 2014.

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.

Benalla Rural City Council was notified of the results of the actuarial investigation during January 2015.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 36 Contingent liabilities and contingent assets

Contingent liabilities (cont.)

Note 10(b) Superannuation contributions

Contributions by Benalla Rural City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2015 are detailed below:

Scheme	Type of scheme	Rate	2015 \$'000	2014 \$'000
Vision Super	Defined benefits	9.5%	158	173
Vision Super	Accumulation	9.5%	376	372
Other Funds	Accumulation	9.5%	360	306

In addition to the above contributions, Benalla Rural City Council has paid unfunded liability payments to Vision Super totalling \$Nil (2013/14 \$Nil).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2015.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$158,000.

Guarantees

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

Guarantees for loans to other entities

No guarantees for loans to other entities are held.

Contingent assets

No contingent assets are held.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures 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. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us 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 rate.

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

- diversification of investment product,
- monitoring of return on investment,
- 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 us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we 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 our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in 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

e) Fair value

Unless otherwise stated, the carrying amount of financial instruments reflect their 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 1.30%.

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

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 38 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors	Councillor Justin King (Mayor 5 November 2014 to 30 June 2015)
	Councillor Barbara Alexander (Mayor 1 July 2014 to 4 November 2014)
	Councillor Ellen Crocker
	Councillor Peter Davis
	Councillor Suzy Martin
	Councillor Margaret Richards
	Councillor Andrew Vale

Chief Executive Officer Tony McIlroy

(ii) Remuneration of Responsible Persons

The numbers of Responsible Persons whose total remuneration from Council and any related entities, excluding retirement benefits, fall within the following bands:

	2015 No.	2014 No.
\$1 - \$9,999	-	-
\$10,000 - \$19,999	5	6
\$30,000 - \$39,999	1	-
\$40,000 - \$49,000	1	-
\$50,000 - \$59,999	-	1
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
	8	8

Total Remuneration for the reporting year for Responsible Persons included above amounted to:

400 385

(iii) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$136,000

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

Income Range:	2015 No.	2014 No.
\$110,000 - \$119,999	-	1
\$120,000 - \$129,999	2	1
\$130,000 - \$139,999	-	-
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	-
	4	4

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

566 547

(iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was \$Nil (2014 - \$Nil)

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2015

Note 38 Related party transactions (cont'd)

(v) Loans to responsible persons

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a responsible person of the council, or a related party of a responsible person is \$nil.

(vi) Transactions with responsible persons

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons.

Councillor Peter Davis is the owner of Peter Davis Rural which supplies rural merchandise. Council entered into transactions totalling \$723 on terms and conditions no more favourable than those available in similar arm's length dealings.

Note 39 Events occurring after balance date

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

CERTIFICATION OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

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.



Brett Davies CPA
Principal Accounting Officer

Date: 2/9/2015
Benalla

In our opinion the accompanying financial statements present fairly the financial transactions of Council for the year ended 30 June 2015 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 Justin King
Councillor

Date: 2/9/2015
Benalla



Barbara Alexander
Councillor

Date: 2/9/2015
Benalla



Tony McIlroy
Chief Executive Officer

Date: 2/9/2015
Benalla

AUDITOR-GENERAL'S REPORT

for the year ended 30 June 2015

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Benalla Rural City Council

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Benalla Rural City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

The Councillors' Responsibility for the Financial Report

The Councillors of the Benalla Rural City Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

AUDITOR-GENERAL'S REPORT

for the year ended 30 June 2015

Independent Auditor's Report (continued)


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Benalla Rural City Council as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
8 September 2015


For John Doyle
Auditor-General

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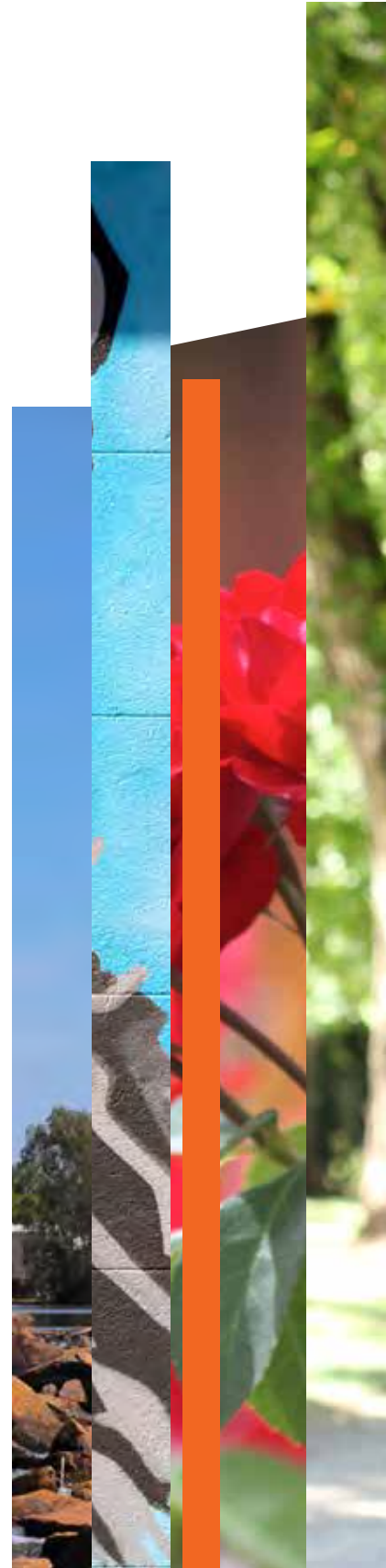
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BENALLA RURAL CITY COUNCIL

ANNUAL REPORT 14-15

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