

BENALLA RURAL CITY COUNCIL

ANNUAL REPORT

15-16



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OUR COUNCIL

Benalla Rural City Council

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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

Re-elected: October 2012



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

Resigned: 30 June 2016



Cr Margaret Richards OAM

First elected: October 2012



Cr Andrew Vale

First elected: June 2013



CHIEF EXECUTIVE OFFICER **OVERVIEW**

THE YEAR UNDER REVIEW HAS BEEN A MOST CHALLENGING ONE FROM A FINANCIAL MANAGEMENT PERSPECTIVE AND HAS BROUGHT WITH IT AN URGENCY TO CREATE GREATER EFFICIENCIES IN OUR OPERATIONS AND A NEED TO LIVE WITHIN OUR MEANS.

To do this we have adopted an internally driven strategy of reducing overheads and staff resources in order to maintain service delivery to the community.

The 2015/16 year end result was an operating surplus of \$211,000 against total expenditure of \$27.042m along with a reduction in the Council's borrowings, which have reduced by \$659,000 to \$6.291m.

FINANCIAL STRATEGY: 'DOING THE SAME WITH LESS'

The Victorian Auditor-General's Report has highlighted the ongoing challenge facing Councils to deliver high quality community services, maintain existing assets and fund future capital projects.

This balancing act will now be made even more difficult with the determination by the Minister for Local Government in setting the Rate Cap for the 2016/17 Financial Year at 2.5 per cent.

The Auditor-General has also made the observation that an increased number of Councils have been identified as having operating deficits which is largely due to a changed payment pattern for financial assistance grants from the Federal Government, which has led to a deterioration in Councils' financial performance, with rural Councils most affected.

In the last twelve months it has become evident that there is less money around at all levels of government. Some councils are further impacted by an unfunded liability for environmental management of landfills which, in the case of Benalla, increased by \$5.5m due to a revaluation in the 2014/15 Financial Year.

In Victoria the Environment Protection Authority (EPA) requirements for landfill cell development, gas management, capping and rehabilitation and annual monitoring and reporting have significantly increased the costs of landfilling. There is also the State Government Levy on waste which is now indexed to CPI. These funds flow into a Sustainability Fund which provides for projects that promote sustainability, improve waste management and reduce emissions.

On a positive front Benalla has received a grant from the State Government of \$75,000 to prepare a business case and investigate the potential for the development of the Benalla Landfill as a shared-service regional facility to service the North East Victoria region which comprises 12 councils.

RATE CAP

In the Strategic Resource Plan a 4 per cent increase in rate revenue was projected for the 2016/17, 2017/18 and 2018/19 financial years.

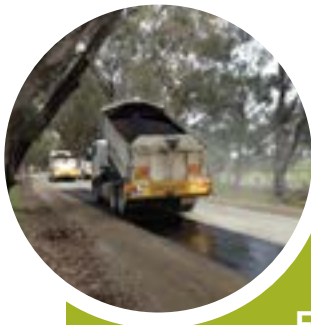
In the 2014/15 financial year operational savings of \$268,000 were achieved.

In preparation for the State Government rate cap, operational savings were made in the lead up to the 2015/16 Budget amounting to \$282,000, which was equivalent to a 1.8 per cent decrease in rate revenue.

Over the last two financial years operational savings have amounted to \$550,000.

The 2.5 per cent Rate Cap for 2016/17 is proposed to be assigned as follows:

- 1.5 per cent Operating Expenditure
- 1.0 per cent Capital Expenditure



FEDERAL AND STATE GOVERNMENT FUNDING

It appears that the Federal Government is not likely to reinstate the indexation of Financial Assistance Grants and the State Government will not reverse its decision which saw the demise of the Country Roads and Bridges Program (\$1m per annum for 4 years) and the Local Government Infrastructure Program (\$1.9m over 4 years) established by the former Coalition Government.

This means that rural councils will be more than ever reliant on capital grant funding from other levels of Government to supplement their own source revenue.

We are now well placed to maximize our efforts in this area with the appointment of the Community and Government Advocacy Coordinator in July last year and our ongoing advocacy to Federal and State Governments on priority projects.

It is pleasing to note that the Council has achieved a 100% success rate in financial assistance from the Federal and State Governments for the Benalla Airport Redevelopment Project (Stage 1) totalling \$1.215m. The Council contributions to the project are \$250,000 (2015/16) and \$171,550 (2016/17).

EXPENDITURE CAP

Due to the other levels of Government drawing back on funding and the likelihood that fiscal pressures may increase and with income being capped there is a corresponding need to cap expenditure.

Following the half year budget review reported to the Council on 2 March 2016 a target reduction of \$500,000 was set in our operating expenditure. This structural adjustment commenced in the final quarter of the 2015/16 financial year in preparation for the 2016/17 Budget, following a comprehensive review of all Program Budgets designed to identify, eliminate or reduce discretionary expenditure and through a reduction in staff resources. Employee costs for the 2015/16 financial year amounted to \$11.3m or 41.5 per cent of our total operating expenditure.

COMMUNITY PLAN

The second half of the financial year saw the establishment of a Community Plan Project Steering Committee.

The Benalla Rural City Community Plan Project will facilitate the development of a long term Community Plan to identify common community values, aspirations and strategic priorities for the future.

The Community Plan will be a document that articulates long term future plans for the municipality outlining goals, strategies and future key actions for the next twenty years.

The project is being overseen by a community based steering committee with 11 independent community representatives from across the municipality.

The Community Plan Project will aim to deliver a Community Plan that:

- provides a strategic way forward for the Benalla Rural City for the next twenty years
- creates a community profile outlining the demographic, economic and social conditions in Benalla Rural City
- identifies the main trends, opportunities and challenges for the municipality
- highlights community assets and what people value about their community
- builds on the work undertaken by a number of projects, initiatives, groups and organisations from across the Rural City including the Advancing Country Towns Project, Resilient Community Program and the Benalla and District Taskforce
- creates a shared community-owned vision for the future
- fosters and builds the skills of people to participate in planning to improve decision making, leadership, advocacy, capacity and capability
- promotes economic development, business, tourism and employment growth opportunities across the municipality
- identifies safe, inclusive, attractive places where people want to live, work and participate
- identifies opportunities to capitalise on Benalla's key assets and strengths
- identifies and prioritises opportunities for strategic infrastructure development to improve liveability and sustainability.



OPERATIONAL SAVINGS WERE MADE IN THE LEAD UP TO THE 2015/16 BUDGET AMOUNTING TO \$282,000 WHICH WAS EQUIVALENT TO A 1.8% DECREASE IN RATE REVENUE.

PRIORITY PROJECTS

During the year, project steering committees were active in progressing design and costing of the future Priority Projects in accordance with the Council Plan (2013-2017).

The Benalla Visitor Information Centre Redevelopment project was adopted by the Council on 2 September 2015 and the Benalla Art Gallery Redevelopment Project was presented to the Council on 1 June 2016 for consideration by the next Council to be elected in October 2016.

The outcomes of a Community Engagement Strategy and the results of a Community Survey in relation to the redevelopment of the Benalla Aquatic Centre were reported to the Council on 4 May 2016. The proposed design is now the subject of costing for consideration by the Council.

The proposed redevelopment includes the following components:

- new internal program pool
- expanded fitness and gymnasium area
- external splash pad
- minor refurbishment of the outdoor pool.

From an operational perspective the construction of Cell 1 at the Benalla Landfill and Resource Recovery Centre has received much attention during the course of the year under review with significant delays and a cost overrun experienced.

The receipt of waste was halted as a result, in late February 2016, following the Council being issued with a penalty infringement notice and fine of \$7,584 from the Environment Protection Authority for accepting waste outside of the licence containment area. A further fine of \$7,584 was issued by the EPA in May 2016 in relation to the late engagement of an Environmental Auditor to conduct frequent monitoring of the Landfill.

The completed cell was finally opened on 6 June 2016 with operations returning to normal.

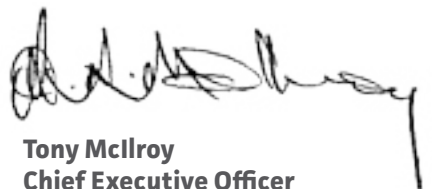
COMMUNITY SATISFACTION

The annual state-wide Community Satisfaction Survey undertaken independently on behalf of the State Government was conducted in the third quarter with the overall performance of the Council rated 51 (55-2015) against a state average of 59 (60-2015).

The stand out for the year was Customer Service with a best ever rating of 70 (65-2015).

ACKNOWLEDGEMENT

In conclusion I wish to thank the Council for its ongoing support as it completes its four year term and acknowledge the commitment of the Leadership Team in what has been a very challenging year.



Tony McIlroy
Chief Executive Officer





THE YEAR IN REVIEW

CAPITAL AND OPERATIONAL HIGHLIGHTS

BENALLA AIRPORT MASTER PLAN IMPLEMENTATION

After extensive community and stakeholder consultation, the Benalla Airport Master Plan was adopted in 2014, and in 2015/16 funding was secured for Stage 1 of the redevelopment:

Federal Government (National Stronger Regions Fund)	\$715,253
State Government (Regional Jobs and Infrastructure Fund)	\$500,000
Benalla Rural City Council	\$421,550
Site users	\$6,000
Total:	\$1.642 million

The Benalla Airport Redevelopment project will bring the airport to a standard that will enable growth in the business aspects of the facility, as well as making it suitable for accommodating larger aircraft and providing greater freight and emergency capability.

The work will facilitate the 34th FAI World Gliding Championships 2017 which economic modelling indicates will inject between \$7-9 million into the local economy.

ORGANIC WASTE SERVICE

In July 2015 the Council introduced a compulsory organic waste service to all premises in the urban area, to reduce the pressure on landfill as well as the emission of greenhouse gases.

A public education campaign ran throughout the introduction, roll-out and settling in of the new service via newspaper advertising, community newsletters, media stories and information direct to households. Initially compliance was high, although throughout the year spikes of contamination were dealt with through further education.

The total amount of materials collected in all bins was 20 tonnes lower than last year and 61.5 per cent of all materials collected from all the bins was reprocessed.



ROADS AND BRIDGES

Work completed on roads and bridges in 2015/16:

- 1,583 defects fixed on roads, footpaths and bridges
- 509km out of 777km of unsealed roads graded
- 150km out of 535km of sealed road shoulders graded
- gunn Lane bridge reconstructed
- removal and clean up works of storm damaged trees following the 20 December storm event in the Lima and Tarnook areas
- shoulder resheeting on Devenish Wangaratta Road and Glenrowan Boweya Road
- replacement of 80.1m² of concrete footpaths at various locations within the Benalla township
- footpath repair works along various streets within the Benalla township
- replacement of 68.5m of kerb and channel at various locations
- 6km of seal edging repair works along Swanpool Road and Samaria Road
- 14 box culverts replaced and 2 dual cell end walls along Kilfeera Road installed
- 57m of concrete mountable kerb at the Swanpool Store completed
- Midland Highway bike path resurfaced between Waller Street and Evan James Drive
- drainage improvement works in Baddaginnie
- carriageway tree clearance works along Molyullah Tatong Road, Tarnook Road and Harrison Road



OTHER PROJECTS

Aquatic Centre Redevelopment – Construction Design and Specification	\$152,189
Benalla Indoor Recreation Centre court resurface and removal	\$40,000
Benalla Landfill and Resource Recovery Centre	\$1,431,426
Roof Access Stage 2 (Benalla Indoor Recreation Centre and Aquatic Centre)	\$11,360
Senior Citizens and Community Centre doors	\$20,000
Street Lighting Retrofit Program Part 2	\$50,000
Visitor Information Centre refurbishment	\$8,218

CAPITAL GRANTS

Roads to Recovery	\$1,946,343
Smythe Street (now Church Street) Bus Shelter	\$25,000
Churchill Reserve Netball Courts	\$100,000
Children's Adventure Park Precinct Redevelopment	\$400,000
TOTAL	\$2,653,343

BENALLA
MURAL VOTED
8TH BEST IN
THE WORLD



THE YEAR IN REVIEW



JULY

- Benalla celebrates NAIDOC with flag first - Australian, Aboriginal and Torres Strait Islander flags flying together in Benalla Rural City.
- Benalla Netball Courts receive \$80k from State Government for upgrade
- Rec-less survey to help open spaces be more resilient to climate change
- Change of library services to council-operated model announced
- **Organic waste service launched**



AUGUST

- North East Small Business Festival encourages local businesses
- Sustainable Housing Forum to promote lower energy costs for local homes
- Vegetables are child's play as Family Day Care children enjoy vegetable gardening at Community Care Centre
- Benalla Saleyards conversation continues with forum at BPACC
- **Council awarded for communication access**



SEPTEMBER

- **RUOK Day and Youth Mental Health Forum put mental health in the spotlight**
- Melbourne International Film Festival comes to BPACC
- Aquatic Centre Redevelopment consultation launched with online engagement tool
- Council flags concern over school crossing costs
- Ten Schools get on board with Walk to School Project



OCTOBER

- Local Law released for public comment
- Community Safety Day held at Benalla Drill Hall
- Red Bucket campaign helps get rural households fire ready
- **Benalla Rural City and Gliding Championships go to Federation Square**



NOVEMBER

- Community Plan process begins
- **Benalla Festival celebrates The Heart of the Country**
- Street light replacement scheme wins Premier's award
- Accessibility reference group members sought
- Draft Wastewater Management Plan out for public consultation



DECEMBER

- Community Access and Inclusion Plan launched
- FReeZA provides Sweet Escape at free event for 12-25 year olds
- Benalla bites back at beetle to keep elms healthy
- **Benalla mural voted 8th best in the world**
- Council welcomes funding to upgrade Benalla Skate Park



JANUARY

- Tourism week highlights the best Benalla has to offer
- State Government funds Benalla Airport redevelopment
- \$75k granted from State Government for landfill feasibility study
- **The Diamonds a glittering start to the BPACC season**
- Council welcomes \$320,000 Federal Govt Bridge Renewal funding for Williams Road Bridge, Lima South
- Australia Day celebrations are held across Benalla Rural City



FEBRUARY

- BPACC launches service review to determine community needs
- Information sessions held for Community Grants and Major Events Funding Program
- **New rubbish trucks for Benalla Rural City, as residents are congratulated on increased use of recycling and organic waste services**
- Benalla immunisation rates highest in state in 24 month olds



MARCH

- RACV provides funding for access map to show the way for people of all abilities
- Kitchen table talks start for Community Plan
- **Wall to Wall Festival brings even more vibrancy to Benalla**
- Council aims for savings in organisational review



APRIL

- **Draft airport lease proposals made available for comment**
- Council begins to address camping on Lake Benalla foreshore
- Council helps celebrate Rotary handing over farm machinery to the Benalla Uniting Church Emergency Fencing Team



MAY

- Community Day celebrates volunteers and emergency services
- Proposed 2016/17 Budget released for public consultation
- V8 Supercar heroes meet locals at signing event ahead of V8 Championships at Winton Motor Raceway
- **Victorian Governor Linda Dessau visits Benalla Rural City**
- Hippo! Hippo! Hippo! performance delights children at BPACC
- Mental health forum highlights community service needs



JUNE

- Aussie Aussie Aussie celebrates Australia circus-style at BPACC
- Benalla Landfill Resource and Recovery Centre reopens for commercial waste
- **Benalla lights up Learning Centre and Mural purple to highlight elder abuse prevention**
- Hearing Loop installed at Sir Edward 'Weary' Dunlop Learning Centre
- Doug Moran National Portrait Prize opens at Benalla Art Gallery

FINANCIAL SUMMARY

Financial snapshot	2015/16 \$'000	2014/15 \$'000	2013/14 \$'000
Total Revenue	\$27,613	\$30,793	\$25,872
Total Expenses	\$27,402	\$32,646	\$26,339
Surplus (Deficit)	\$211	(\$1,853)	(\$467)
Net Current Assets	120%	127%	122%
Total Assets	\$220,100	\$224,951	\$219,702
Net Assets	\$201,016	\$205,078	\$204,909
Rates and Charges	\$15,495	\$14,724	\$14,113
Rates/Adjusted Underlying Revenue	58%	50%	72%
Indebtedness (Non Current Liabilities / Own sourced revenue)	68%	68%	47%
Capital Projects	\$4,080	\$6,166	\$6,474



BUILDING VICTORIA

BENALLA CHILDREN'S PRECINCT REDEVELOPMENT PROJECT A Victorian Government Funded Project

Infrastructure originating from the Benalla Children's
Precinct Redevelopment project for

- Redevelopment of the precinct
- Subsidising of the precinct
- Provision of new play equipment

Project funding: \$10,000,000
Project value: \$10,000,000
Project cost: \$10,000,000



ABOUT BENALLA RURAL CITY COUNCIL

OUR MUNICIPALITY

Population 13,496 (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 7,792

Number of Council employees 125.5 (equivalent full time)

Number of Councillors 7

BENALLA RURAL CITY OFFERS THE BEST OF BOTH WORLDS – A RELAXED, PEACEFUL ENVIRONMENT WITH ALL THE PERKS OF CITY LIVING.

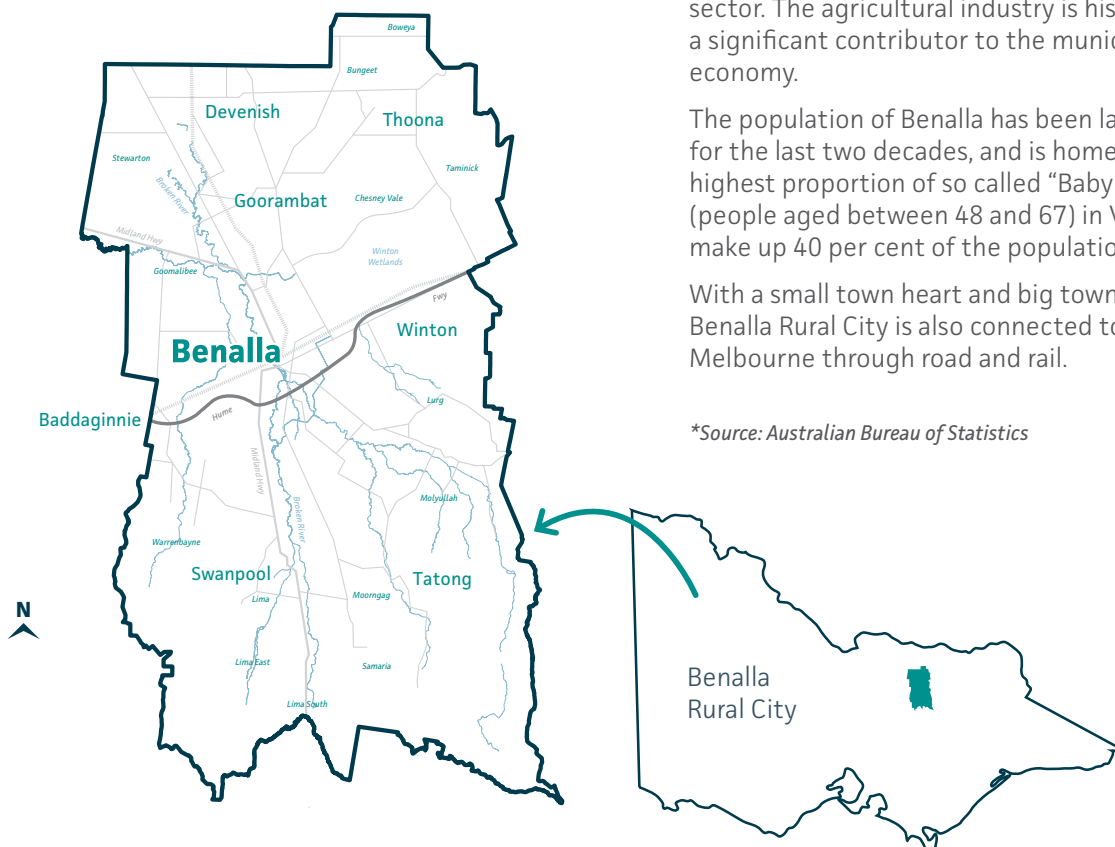
The municipality has world-class health services, excellent schools with small class sizes, and a wealth of lifestyle opportunities – theatre, sport, music, food, wine and culture.

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

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

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

**Source: Australian Bureau of Statistics*





OUR ORGANISATION

Senior officers reporting directly to the CEO:

Robert Barber

General Manager Corporate and Community

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

Veronica Schilling

General Manager Development and Environment

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

Jeanie Hall

Manager Economic Development and Tourism

- Business Development
- Economic Development
- Tourism

Jilian Mulally

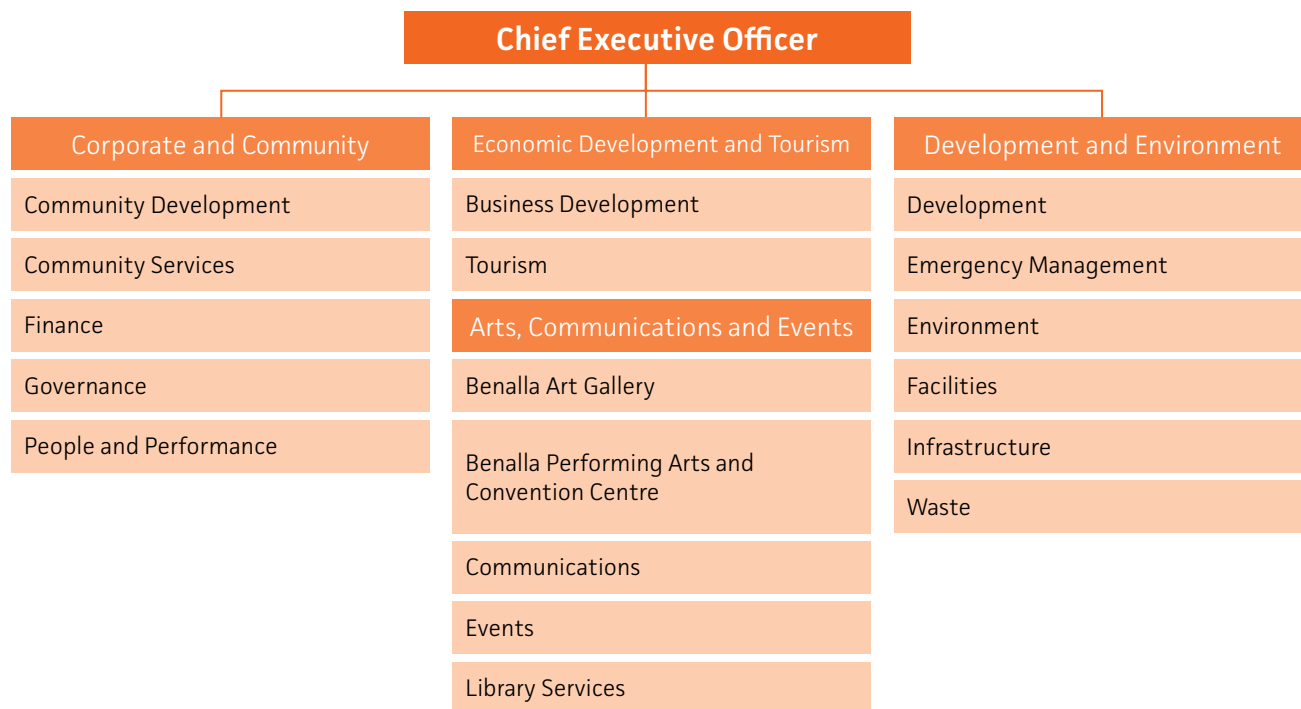
Manager Arts Communications and Events

- Art Gallery
- Communications
- Events
- Library Operations
- Performing Arts



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.

Regulation 14(3)(b) indicators against which effectiveness of the Equal Opportunity Program is to be assessed and (c) actions taken to develop and implement the program and (d) assess achievement of program's objectives against indicators in (b).



Employees by employment type and gender:

Employee type/gender	Number	EFT*
Full-time – female	35	35
Full-time - male	48	48
Part-time - female	57	39.62
Part-time - male	6	2.88
Vacant	0	0
Total	146	125.5

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

Employees by banding classification:

Employment Classification	Female EFT	Male EFT	Total EFT
Band 1	1	0.3	1.3
Band 2	0.2	0.4	0.6
Band 3	11.9	13	24.7
Band 4	18.9	11	30.3
Band 5	10.9	7	17.7
Band 6	14.72	5.18	19.9
Band 7	8	5	13
Band 8	2	4	6
Band not applicable.	7	5	12
Total EFT	74.62	50.88	125.5



HEALTH AND SAFETY

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

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

PROFESSIONAL DEVELOPMENT

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

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

FAMILY VIOLENCE

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. Clause 45 of the Enterprise Agreement which came into effect in May 2016 allows for staff to access Personal Emergency Assistance (Family Violence).

The Council accepts the definition of Family violence as stipulated in the *Family Violence Protection Act 2008* (Vic) understanding that it includes physical, sexual, financial, verbal or emotional abuse. Council has also committed to supporting the MAV Prevention of Family Violence Campaign, the Hume Region Courageous Conversations Charter and is a White Ribbon Day Supporter.

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

Community Development at Benalla Rural City Council is committed to building community confidence, resilience and sense of belonging. Major functions include:

- community capacity and resilience building, with a special focus on rural communities
- administering the Community Grants, Community Sponsorship and Youth Participation Grants
- promoting key community activities such as NAIDOC Week and Seeing the Future in Farming Forum
- improving access and inclusion
- youth development programs, initiatives and advocacy.

The department includes the following state government funded programs - Building Inclusive Communities Program, Resilient Community Program, L2P Program and other casual and contracted workers associated with programs such as Rural Outreach, FReeZA and Walk to School initiatives.

COMMUNITY SERVICES

The Community Services Department comprises of Aged and Disability Services and the Family and Children's Services.

Aged and Disability Services

These services contribute to the continued independence of the frail aged and younger people with disabilities and carers by providing support within the community and in the home environment.

We assist clients to enhance their quality of life and maintain their participation in the community, preventing premature admission into residential facilities.

We work collaboratively with other services providers to ensure seamless support to clients, particularly changes this year due to the National Aged Care Reform. With over 600 clients assisted, the team continues to ensure that clients have limited experiences of delays or confusion.

Programs include:

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



Family and Children's Services

These services promote the health and well-being of families in Benalla Rural City, focusing on prevention and the early detection of physical, emotional and social factors affecting children and their families. We support families in times of need to ensure the family unit can continue to look after their members.

Programs include:

- Maternal Child Health
- Enhanced Home Visiting Service
- Family Day Care
- In-Home Family Day Care
- Family Services
- Family Liaison.



PEOPLE AND PERFORMANCE

The People and Performance Department includes payroll, risk management, information systems, human resources, information management and customer service support to our organisation to enable us to continue delivering value to our community.

ECONOMIC DEVELOPMENT AND TOURISM

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

The team engages in a business visitation program, promotional activities and seminars and events programs. Other efforts to support investment attraction include servicing investment enquiry, ensuring that Benalla has sufficient appropriately zoned investment ready land, access to a skilled workforce and good transport.

It also plays a lead role in providing tourism services and manages the Visitor Information Centre which opens seven days a week supported by 21 volunteers.

DEVELOPMENT

The Development Department provides a broad range of development services to residents and ratepayers as well as services to prospective new residents and developers.

The Development Department is responsible for services such as town planning, land use studies, environmental health, building services, domestic animal management, school crossing safety, parking and enforcement of local and state legislation.

INFRASTRUCTURE

The Infrastructure Department delivers three key functions:

Operations

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

Asset Management

- Best practice Asset Management, in accordance with the MAV STEP Guidelines in order to provide levels of service in a cost effective way while ensuring sustainable long term use of resources.
- Maintenance of a register of Infrastructure Assets and condition reports.

Engineering

- Delivery of civil engineering reports that identify the existing community assets requiring development for future program works.
- Delivery of the capital projects identified in the Council's Capital Projects Program.





THE FACILITIES DEPARTMENT

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

Parks and Gardens

- Parks, gardens and open space maintenance, including management of the Benalla Botanical Gardens.
- Urban and rural township street tree and streetscape maintenance.
- Management of Flood Mitigation Vegetation Clearance and the Electrical Line Clearance contract projects.

Facilities Management

- Programmed maintenance and inspection of all Council facilities.
- Management of the Benalla Aquatic Centre contract, the Benalla Airport and the Benalla Saleyards.
- Administration and project management of grant funded capital works relating to facilities.

Recreation Facilities Management

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

Spatial Data Management

- Property numbering, land tenure and property boundaries.
- Corporate spatial data management including updating, archiving and auditing and customised desktop mapping solutions.
- Project specific spatial data capture, management and reporting for both internal and external clients.

Emergency Management

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

Environment

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

Waste

The Waste Management Unit plans and manages the Benalla Landfill and Resource Recovery Centre, the contract for kerbside waste collection services and waste minimisation projects.

Finance

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

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

ARTS COMMUNICATIONS AND EVENTS

The Arts, Communications and Events department contributes to the liveability and community life within Benalla as well as economic activity and tourism through providing services, events and facilities within the management of the;

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

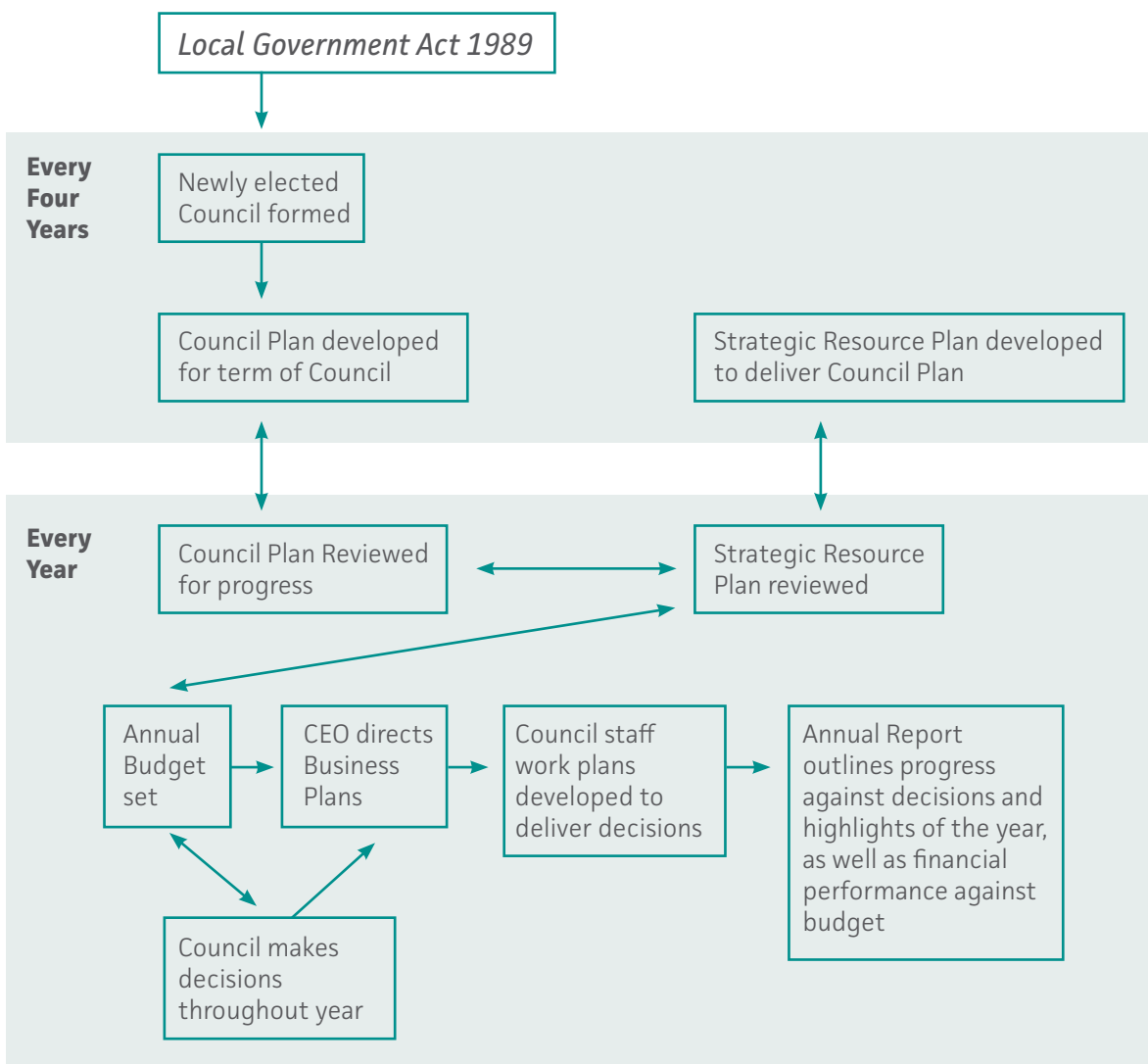


OUR PERFORMANCE

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.





STRATEGIC OBJECTIVES

THE COUNCIL MEASURES ITS PROGRESS BY REPORTING AGAINST ITS STRATEGIC OBJECTIVES.

SERVICE PERFORMANCE INDICATORS

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

Service/indicator/measure	2014/ 15	2015 /16	Material Variation
Aquatic Facilities			
Service standard	4	4	
<i>Health inspections of aquatic facilities</i>			
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]			
Health and Safety	1	0	There were no reportable Worksafe incidents in 2015/16.
<i>Reportable safety incidents at aquatic facilities</i>			
[Number of WorkSafe reportable aquatic facility safety incidents]			
Service cost	\$5.63	\$6.19	
<i>Cost of indoor aquatic facilities</i>			
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]			
Service Cost	\$5.63	\$6.19	
<i>Cost of outdoor aquatic facilities</i>			
[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]			
Utilisation	6	7.05	
<i>Utilisation of aquatic facilities</i>			
[Number of visits to aquatic facilities / Municipal population]			

Service/indicator/measure	2014/ 15	2015 /16	Material Variation
Animal Management			
Timeliness	Not required	1 day	
<i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]			
Service standard	48.14%	44.42%	
<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100			
Service cost	\$55.94	\$56.58	
<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]			
Health and safety	8	8	
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]			
Food Safety			
Timeliness	Not required	1 day	
<i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]			
Service standard	14.29%	59.17%	Additional resources committed for food premises inspections after the previous performance reporting was conducted
<i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100			
Service cost	\$760.98	\$353.66	Staffing reduced for other environmental health responsibilities as part of an organisational review
<i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]			

Service/indicator/measure	2014/ 15	2015 /16	Material Variation
Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100%	0%	There were no critical non-compliance notifications and no major non-compliance notifications about food premises in 2015/16.
Governance			
Transparency <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	15.82%	21.15%	Additional reports containing confidential business information considered by the Council.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	52	45	Several issues identified as impacting on satisfaction levels including volunteer engagement and issues associated with the Benalla Landfill and Resource Recovery Centre and the Benalla Airport
Attendance <i>Councillor attendance at council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	88.89%	83.46%	
Service cost <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$39,868.00	\$40,275.71	

Service/indicator/measure	2014/ 15	2015 /16	Material Variation
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	44	Several issues identified as impacting on satisfaction levels, including volunteer engagement and issues associated with the Benalla Landfill and Resource Recovery Centre and the Benalla Airport
Home and Community Care (HACC)			
Timeliness <i>Time taken to commence the HACC service</i> [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]	94 days	34 days	Clients have continued to be assessed when referred for HACC services, but due to waitlist, services may not have commenced.
Service standard <i>Compliance with Community Care Common Standards</i> [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	94.44%%	94.44%	
Service cost <i>Cost of domestic care service</i> [Cost of the domestic care service / Hours of domestic care service provided]	Not required	\$49.13	
Service cost <i>Cost of personal care service</i> [Cost of the personal care service / Hours of personal care service provided]	Not required	\$50.86	
Service cost <i>Cost of respite care service</i> [Cost of the respite care service / Hours of respite care service provided]	Not required	\$53.19	

Service/indicator/measure	2014/ 15	2015 /16	Material Variation
Participation	39%	22.06%	HACC funding was significantly reduced in 2014/2015. This has decreased the services provided to clients through the HACC program.
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100			
Participation	44%	13.48%	HACC funding was significantly reduced in 2014/2015. This has decreased the services provided to clients through the HACC program.
<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			
Libraries			
Utilisation	2.90	3.18	
<i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]			
Resource standard	54.59%	48.67%	The Board of the High Country Library Corporation resolved to dissolve and transfer operations to the Council. In November 2015, the Board resolved to save \$60,000 from the Capital Book Fund in order to prepare for the transition. This one off saving meant that fewer items were purchased into the collection.
<i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100			
Service cost	\$5.32	\$5.09	
<i>Cost of library service</i> [Direct cost of the library service / Number of visits]			
Participation	24.17%	18.96%	New data collection method used in 2015/16
<i>Active library members</i> [Number of active library members / Municipal population] x100			

Service/indicator/measure	2014/ 15	2015 /16	Material Variation
Maternal and Child Health (MCH)			
Satisfaction	101.59%	105.74%	
<i>Participation in first MCH home visit</i>			
[Number of first MCH home visits / Number of birth notifications received] x100			
Service standard	90.48%	100%	Benalla MCH service receives notification for all babies residing in Benalla Rural City, however, families choose to enrol their child elsewhere.
<i>Infant enrolments in the MCH service</i>			
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100			
Service cost	Not required	\$87.19	
<i>Cost of the MCH service</i>			
[Cost of the MCH service / Hours worked by MCH nurses]			
Participation	82.48%	83.89%	
<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			
Participation	85%	89.19%	
<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			
Roads			
Satisfaction of use	16.33	10.45	The lower number can be contributed to the higher than previous years' work that was carried out on the sealed roads network in the way of sealed edge repair work. 16km of shoulder resheeting work and 15 km of reseal work.
<i>Sealed local road requests</i>			
[Number of sealed local road requests / Kilometres of sealed local roads] x100			

Service/indicator/measure	2014/ 15	2015 /16	Material Variation
Condition <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	97.85%	97.84%	
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	0	0	
Service Cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.55	\$3.61	
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	51	
Statutory Planning			
Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	24 days	30 days	Complex applications were received which required the approval of the Council. This process has to fit into the Council's meeting cycle and delays occur as part of this process.
Service standard <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	93.96%	95.14%	
Service cost <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$2,882.47	\$2,971.10	
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	There were no decisions taken to VCAT.	100%	In 2015/16 one of one matter was found in favour of the Council.

Service/indicator/measure	2014/ 15	2015 /16	Material Variation
Waste Collection			
Satisfaction	46.93	144.68	Very high activity due to the introduction of new organics service. Residents had flexibility to change bin sizes.
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000			
Service standard	2.06	1.57	New monitoring system commenced in March 2016. Previous missed bins dealt with on same day and some may not have been recorded.
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000			
Service cost	\$110.86	\$81.60	New contract commenced on 1 July 2015 and service reconfigured.
<i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]			
Service cost	\$84.67	\$63.56	The green organics collection has now been operating for 12 months hence the increased tonnage in recyclables.
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]			
Waste diversion	31.81%	59.68%	The Council introduced kerbside organics collection service in July 2015 and also offered 360L recycle bins to enhance the service.
<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			



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 2015/16 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.

The Sir Edward 'Weary' Dunlop Learning Centre was prepared for transition to from the High Country Library Corporation to Council early in the 2016/17 financial year.

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

Completion of the Local People Building Local Solutions program, particularly the Rural Fire Tales film project reflecting on the 2014 bushfire experience

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

Very successful Youth Mental Health Forum held in September 2015. The forum was attended by 85 students and 12 service providers. Youth Action Committee (YAC) has proposed a series of youth-related pop-up sessions at the Benalla Drill Hall Community Activity Centre. Council support obtained and funding being explored. Several youth engagement activities organised as part of the 2016 Wall to Wall Street Art Festival.

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.

Brochure developed with the Central Hume Primary Care Partnership (CHPCP) and Coinda has been distributed and has receive a good reception. The CHPCP has rolled out the brochure concept to other member organisations.

Development of Positive Ageing Strategy has not progressed.

Other Initiatives:

The Rural Outreach Worker offered support to farmers and other experiencing hardships with referrals made to Community Health, general practitioners, Centrelink and financial counsellors. A Rural Outreach Reference Group will be established to provide guidance and support to the worker.

Successfully applied for additional Family Services funding from the State Government, including funding to deliver nine "flexible packages" to families in Benalla Rural City.

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	47	Disappointing result. Implementation of Youth Strategy 2013-2017 to be reviewed.
Community satisfaction rating for our performance in providing elderly support services	71	68	
Community satisfaction rating for our performance in providing family support services	65	63	
Community satisfaction rating for our performance in providing community and cultural activities	63	63	
Community satisfaction rating for our performance in providing art centres	59	73	
Community satisfaction rating for our performance in providing libraries	59	81	Reflects strong community support and satisfaction with library services delivered through the Sir Edward 'Weary' Dunlop Learning Centre.
Community satisfaction rating for our performance in community development activities	60	55	
Community satisfaction rating for our performance in emergency and disaster management	60	69	Reflects community feedback on emergency management and recovery efforts associate with the December 2014 Boweya and Stewarton bushfires.
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	-	Awaiting results of the Victorian Population Health Survey 2014.
Conduct biannual youth forum	0	-	Awaiting results of the Victorian Population Health Survey 2014.

Strategic Indicator / Measure	Target	Result	Comments
% 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.
% 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 2015-16 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure \$'000	Revenue \$'000	Net Cost \$'000
Arts and Events	Includes Benalla Festival and Benalla Library operations, which provides library services to Benalla Rural City residents in partnership with the High Country Library Corporation.	588	(25)	553
Benalla Art Gallery	The Benalla Art Gallery is a Council owned and operated facility providing cultural and tourism benefits to the Rural City.	487	(180)	304
Benalla Performing Arts and Convention Centre	Management and Operation of the Benalla Performing Arts and Convention Centre (BPACC).	713	(445)	268
Community Development	Coordinates and supports community planning and development activities. Engages with young people and partners with service providers.	490	(86)	404
Community Services	<p>Delivers a range of services to enhance, independence, dignity, connectedness, health and wellbeing. The services provided are available to residents of all ages, cultures and socio-economic backgrounds.</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 • Family and Children Services: • Enhanced Home Visiting • Family Day Care • Family Services • In-Home Family Day Care • Maternal and Child Health. 	3,434	(2,760)	674





ARTS AND CULTURE

PROMOTING LOCAL EVENTS

The Events team facilitates a range of public community events, civic ceremonies and festivals. This may involve liaison around planning permits, emergency services and traffic management, and advice on Major Event funding.

The Council facilitated Traffic Management Training for event organisers across the community to enable community groups and organisations to have qualified people to control traffic at their own, and other community events.

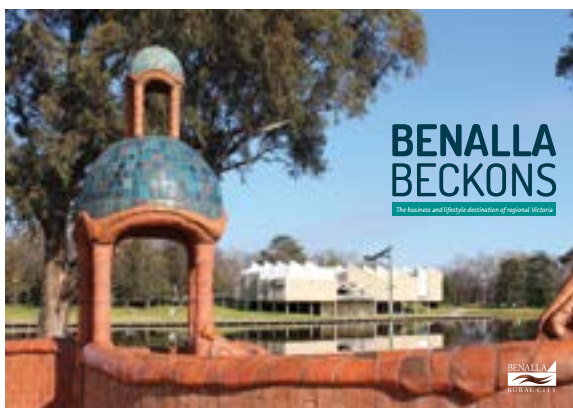
This first-time expression of interest process resulted in eight volunteers from a variety of community organisations achieving their traffic management qualification.

ART GALLERY DIRECTION RECOGNISED



PROMOTING BENALLA RURAL CITY

The Council published Benalla Beckons – a commercially printed prospectus designed to assist in the attracting of business investment and new residents to Benalla Rural City. Benalla Beckons highlights the business and lifestyle opportunities offered by the municipality.



The Benalla Art Gallery's Directory Bryony Nainby was appointed to the Board of Management of the Public Gallery Association of Victoria in June 2016.

The appointment was influenced in part by the Director's innovative approach to the development of exhibitions and audience engagement programs at the Gallery.

The exhibition program included the John Twycross Melbourne International Exhibitions Collection which presented a selection of exquisite objects from around the world in the John Twycross Collection from 4 December 2015 – 21 February 2016. The objects were bought by wool merchant John Twycross at the 1880 and 1888 Melbourne International Exhibitions. This collection was held by the Twycross family in Mansfield until 2009 when it was donated to Museum Victoria.



BENALLA PERFORMING ARTS AND CONVENTION CENTRE REVIEWED

The BPACC Board conducted a review of the services of BPACC in the first half of 2016. More than 750 completed an online survey and close to 70 people participated in face-to-face workshops, making it the most responded to review conducted by the Council this year. The review shows BPACC is highly valued by the community, with 9 out of 10 respondents valuing the delivery of cinema and theatre as very high.

SIR EDWARD 'WEARY' DUNLOP LEARNING CENTRE

The High Country Library Corporation Board resolved to dissolve and transfer the operation of library services to the member Councils. Through the preparation for this major transition, the staff continued to provide highly valued library services, including popular school holiday programs, regular "Sit and Knit" sessions and a monthly writers' corner.

A HEALTHY COMMUNITY

AGED AND DISABILITY SERVICES

Assessment	1,947 hrs
Food Services	9,981 meals
Home Care	8,115 hrs
Personal Care	3,363 hrs
Respite Care	1,672 hrs
Home Maintenance	344 hrs
Planned Activity Core	8,227 hrs
Planned Activity High	1,280 hrs
Volunteer Coordination	3,195 hrs

CHILDREN'S AND FAMILY SERVICES

Family Day Care	
Registered children	127
Care provided (hours)	50,577
Care providers	9
In-home Family Day Care	
Registered children	23
Care provided (hours)	20,064
Care providers	8
Maternal and Child Health	
Infants enrolled from birth notifications	127
Children entering municipality	50
Children leaving municipality	33
Enhanced MCH (families)	32
Enhanced MCH (hours)	530
Family Services (hours)	2,251

INFANTS HAVE BEEN ENROLLED IN MATERNAL AND CHILD HEALTH SERVICES



FAMILY LIAISON

Council agreed to continue to provide ongoing funding this valuable role which assists hard to reach families access services they require. This year the Benalla Kids Book Swap was launched, which provides the opportunity for children visiting the Community Care Centre to read, take home and swap books free.

FAMILY SERVICES

Recurrent additional state funding due to the recommendations of the VAGO Report has enable Council to employ additional Family Services workers to support vulnerable Benalla families. Council has also received flexible funding to further support vulnerable families purchase much needed assistance such as counselling and specialised support not available in Benalla.

FOOD SERVICES

The Leadership Team engaged in corporate volunteering, delivering Meals on Wheels once a week. This was a great opportunity to engage with the community and connect with people who may have very limited capacity to get out in their community due to illness and or age-related mobility issues.

Food Recalls

The Council handled some high profile food recalls including bagged lettuce products contaminated with salmonella, which had to be removed from supermarket shelves and had found themselves into the kitchens of many smaller food premises throughout the municipality. Other food safety issues dealt with include the identification of the consumption of potentially toxic “yellow stainer” mushrooms.

RECOGNISING OUR VOLUNTEERS

Volunteers continue to play a vital role in community life in Benalla Rural City, supporting service clubs, community and sporting groups, events, the arts and Council Services.

The role of volunteers was recognised in the Police and Community Volunteer Day in May 2016, led by Victoria Police and supported by the Council. Council volunteers were joined by emergency services, service clubs and other community organisations to promote the work they do and engage other community members to participate.

Volunteer recognition continues under the guidance of the Volunteer Advisory Committee established in 2015.



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 2015/16 budget.

Major Initiatives	Comment
Facilitate appropriate land use development and protection of environmental values through planning processes, particularly the <i>Benalla Planning Scheme</i> .	Over 90 per cent of planning applications processed within 60 days.
Maintain, enhance and promote Council facilities and open space areas to enable maximum community use, benefit and enjoyment and to meet safety standards.	Booking process for Benalla Town Hall reviewed and enhanced. Long-term licence agreement entered into with local theatre group LUEY - Let Us Entertain You.
Develop a recreation and open space strategy to identify priority future developments across our Rural City.	The Recreation Strategy continues to be implemented. Successfully supported the Churchill Reserve Committee of Management to secure State Government funding for the refurbishment of the reserve's netball courts.
Develop and implement a strategy for the management of street trees.	Documentation review completed. The establishment of an advisory panel, comprising councillors, community representatives and staff, is being investigated. Three hundred and sixty two Elm trees were treated for Elm Leaf Beetle.
Other Initiatives	Comment
Improvements to restore the health, amenity and useability of Lake Benalla and the foreshore environment are planned and implemented in partnership with others.	Five-year <i>Domestic Wastewater Management Plan</i> adopted in January 2016.

792

MATURE ELM TREES
WERE TREATED FOR
ELM LEAF BEETLE



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 streets and footpaths	47	48	
Community satisfaction rating for our performance in providing recreational facilities	65	66	
Community satisfaction rating for our performance in the appearance of public areas	72	72	
Community satisfaction rating for our performance in town planning policy and approvals	47	47	
% 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%	95%	Improved work practises have encouraged pre-application meetings with applicants and good relationship with referral authorities for better turnaround on planning referrals.

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 provided	Expenditure \$'000	Revenue \$'000	Net Cost \$'000
Facilities	Responsible for the management and maintenance of the Council's properties, open spaces, reserves and buildings. Maintains the Geographical Information Systems which provide computer based mapping and aerial photography.	2,857	(810)	2,047
Development	Land Use Planning Services to manage development in accordance with the Benalla Planning Scheme and the Planning and Environment Act. Municipal Building Surveyor Services to meet statutory obligations in accordance with the Local Government Act and Building Regulations. Coordination of Council's statutory obligations in relation the Domestic and Feral and Nuisance Animal Act, Road Regulations, Environment Protection Act, Country Fire Authority Act. Provision of professional Environmental Health Services to meet Council's statutory obligations with respect to the Health Act, and Environment Protection Act.	1,622	(526)	1,096
Infrastructure	Responsible for the Council's Asset Management requirements including its Road Management Plan. Implementation of major and minor works project management, supervision and delivery. Management and strategic implementation of maintenance and repair activities: <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. 	7,606	(3,477)	4,129



MAINTAINING COMMUNITY ASSETS

The Council has a schedule of maintenance for various community assets from buildings to street trees to promote the sustainability and liveability of Benalla Rural City. This year the Council:

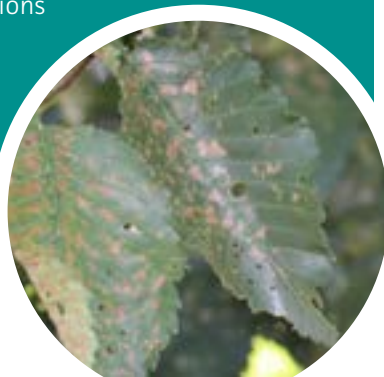
- revised and updated the Electrical Line Clearance Management Plan
- installed of automatic doors at the Benalla Senior Citizens and Community Centre
- upgraded the court surface at the Benalla Indoor Recreation Centre in conjunction with the Committee of Management and user groups
- Implemented, in partnership with Alpine Shire Council the *Recless – less water, less often, more resilient* open space project.

BITING BACK AT THE ELM LEAF BEETLE

Many of the rural city's approximately 792 elm trees are affected every season by the beetle, and the pest's life cycle means that damage is particularly evident over summer months.

The Council treats its elms every three years by injecting diluted pesticides into the soil at the base of the trees. The pesticides are pulled up through the trunk in a process called transpiration. A drier than usual Spring however means the trees did not take up the pesticide as effectively, so the Council trialled injecting the pesticide directly into the trunk of the worst affected trees to eliminate the pest.

The Council also engaged in its regular program of maintenance of all nature strip trees, including tree root investigations and root barrier installation.



BUILDING A BETTER BENALLA RURAL CITY

The Council focused on core roads and bridges projects in its capital projects program for the 2015-16 financial year, while it moved several major infrastructure projects to "shovel ready" status for an incoming Council in October 2016 to consider.

ROADS, DRAINS AND PATHS

In 2015/16 the Council:

- fixed 1,583 defects on roads, footpaths and bridges
- graded 509km out of 777km of unsealed roads
- graded 150km out of 535km of sealed road shoulders
- completed shoulder resheeting on Devenish Wangaratta Road and Glenrowan Boweya Road
- replaced 80.1m² of concrete footpaths at various locations within the Benalla township
- replaced 68.5m of kerb and channel at various locations
- completed 6km of seal edging repair works along Swanpool Road and Samaria Road
- replaced 14 box culverts and installed two dual cell end walls along Kilfeera Road
- installed 57m of concrete mountable kerb at the Swanpool Store
- completed resurfacing of the Midland Highway bike path, between Waller Street and Evan James Drive
- completed drainage improvement works in Baddaginnie
- completed carriageway tree clearance works along Molyullah Tatong Road, Tarnook Road and Harrison Road.



BRIDGE UPGRADE WORK

Several bridge projects were completed, including reconstruction of Gunn Lane bridge, Molyullah, reconstruction of Holmes Road bridge, Baddaginnie and reconstruction of Water Reserve Road bridge, Baddaginnie. Culverts were widened and safety rails were installed over the Four Mile Creek along Burness Road, Goomalibee and along Bungeet Road, Thoona.

BENALLA AIRPORT MASTER PLAN FUNDING

The Council received funding for the Benalla Airport Redevelopment (Stage 1) that will bring the airport to a standard that will enable growth in the business aspects of the facility, as well as making it suitable for accommodating larger aircraft and providing greater freight and emergency capability.

The \$1.64 million partnership project funded by the Federal and State Governments and the Council and user groups is part of the Benalla Airport Master Plan.

Work in Stage 1 includes extending aircraft runways, an emergency landing area, providing water reticulation to glider gridding, new regulatory signage, an upgrade to the existing apron, a new fuel facility, new fencing, an upgrade to the access tarmac to hangars, improved airport drainage and Stage 2 of the storm water retarding basin.

The work will facilitate the 34th FAI World Gliding Championships in 2017.

BUILDING SERVICES REQUESTS GROW

The Building Unit has seen an increase in work load since a local private certifier closed his business, and has been working hard to develop good working relations with local builders. This has seen a number of local builders use Council for their building permits. There was a significant increase in building certificates of 39 per cent and land information certificates of 29 per cent issued for the September quarter compared to the previous quarter.

High planning performance continues

The planning unit continues to process planning applications at an efficient rate with 94 per cent of planning application being decided within the required 60 statutory days, well above the state average of approximately 64 per cent. In addition, on average it takes 30 days to process an application the state average is approximately 76 days.

LOCAL LAW REVIEWED

The Community Local Law 2016 was put out for review. A Policy on Regulatory Compliance and Enforcement is under development to be used in conjunction with the Benalla Rural City Compliance Officer Operations Manual.

A photograph of a brown and white bull lying on its side on a dirt road. To the left of the bull is a yellow and black chevron sign. To the right is a red and white traffic cone. The background shows a line of trees and a dirt path leading into the distance.

CAUTION: BULL ON ROAD

The regular day to day work of the Compliance department involves animal management, with some stray animals more of a challenge to deal with than others

ALLEGED ILLEGAL TOBACCO PREMISES SHUT DOWN

The Council's test purchasing, illicit tobacco packaging identification, complaint investigation and educational visits continued as part of the State Tobacco education and enforcement funding provided to Council. With Council background assistance a search warrant for an illegal tobacco premises was obtained by Victoria Police and a joint inspection followed that resulted in the closure and removal of the business.

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 2015/16 budget

Major Initiatives	Progress
Prepare a Benalla Art Gallery Master Plan.	Master Plan completed.
Develop a strategy to retain, support, promote and grow our local businesses, attract new businesses, and support industry innovation and diversification.	Continued implementation of the Benalla Business and Tourism Growth Strategy. Benalla Beckons prospectus developed and printed for distribution to prospective investors and residents.
Support, promote and participate in local, regional and state-wide tourism and population attraction initiatives.	Enjoy Benalla brand and digital platform launched, with installation of brand signage at Winton Motor Raceway. Participation in the World Gliding Championship Group and set up of a pop-up Visitor Information at Federation Square to promote the event.
Establish a long-term strategic approach for the ongoing development of Enterprise Park and the Benalla Airport.	Benalla Business Growth (Enterprise Park) Subdivision Plan approved. Benalla Airport Redevelopment Master Plan adopted.
Develop the tourism potential of our iconic community-owned assets, including the Benalla Art Gallery, Benalla Botanical Gardens and Lake Benalla.	Outcomes from the Benalla Aquatic Centre Redevelopment Community Engagement program reported to the Council in May 2016. Benalla Visitor Information Redevelopment Concept Plans finalised. Benalla Art Gallery Redevelopment concept finalised and presented to the Council as a “shovel ready” project. Estimated \$9.6 million project cost \$9.6 million will require significant external funding.
Other Initiatives	Progress
Support, promote and participate in local, regional and state-wide tourism and population attraction initiatives.	Support of the Winton Wetlands roll out of events including Blood Moon Dinner and “flash camps”. Promotion of Benalla Rural City at Motor Classica.
Improve directional and promotional signage into rural townships.	Refreshed town entry and directional signage implemented.

380

UNIQUE BUSINESS INTERACTIONS WERE PROVIDED THROUGH OUR ECONOMIC ACTIVITIES



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	Result impacted by poor general economic conditions and publicity associated with several contentious issues when survey was conducted.
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	68	One on one training has encouraged the uptake of tourism listings with Visit Victoria
Opportunities for business owners to participate in employment and training programs.	30 participants per year	394	This includes seminar attendees, mentoring and attendees at Benalla Business Network First Tuesday networking events with guest speakers.
Participation in events to promote Benalla Rural City outside the region.	At least two per year	3	

The following statement provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service.

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

ENTERPRISE PARK – SHOVEL READY

Following the adoption of the Business Growth (Enterprise Park) Project as “shovel ready” work has been done to prepare for the subdivision of land that will enable business expansion.

FACE TO FACE WITH LOCAL BUSINESS

380 unique business interactions were provided through:

- 211 face to face business visits
- 56 start-up business enquiries
- 53 business expansion enquiries
- 48 existing business enquiries
- eight investment enquiries
- two export queries
- two retiree/new owner queries.

SUSTAINABLE BUSINESS, CUTTING COSTS AND SAVING ENERGY

Peer to peer learning is the most effective way to create behaviour change in businesses. Benalla Rural City has played a key part in the pilot Hume Business Champions Network which offers quarterly events hosted by partner councils throughout the Hume Region. The aim is to assist regional businesses to save money on their energy and materials costs. Stories are shared by local business champions who have already made these changes and are happy to offer tours and support to others. Additional assistance is available through seminars, fact sheets, videos and website information thanks to Sustainability Victoria.

ENJOY BENALLA – PROMOTING A WHOLE TOURISM DESTINATION

The Enjoy Benalla brand encouraging people to see, taste and explore what Benalla Rural City has to offer was on state-wide display, with marquees set up at Federation Square as part of the promotion of the World Gliding Championships, and Motor Classica at the Royal Exhibition Building in Melbourne.

Enjoy Benalla branding was used to develop updated postcards and fact sheets for the Ceramic Mural, the Heritage Walking Trail and the Ned Kelly touring trail. Signage promoting the brand was also installed at Winton Motor Raceway.

Engagement with Tourism North East programs such as the High Country Harvest and Regional Digital Platform continues to provide opportunities to promote local tourism operators.



A large, detailed mural of a woman's face is painted on a red brick wall. The woman has dark hair and is looking slightly to the right. The mural is the central focus of the page.

STREET ART FESTIVAL A TRUE BUSINESS, COMMUNITY, COUNCIL PARTNERSHIP

The Wall to Wall Street Art Festival ran for its second year in 2016, resulting in 14 new art installations. The Council supported the festival financially with a \$7,500 grant, working with the Street Art Festival committee to engage local and national media, and coordinating business engagement.

BIKE HIRE

A partnership with Auscamp saw the introduction of bike hire being facilitated through the Visitor Information Centre.





42%

OF THE MATERIAL THAT WOULD PREVIOUSLY HAVE GONE TO LANDFILL WAS CONVERTED TO COMPOST. THE EQUIVALENT OF 2,728.4 TONNES OF GREENHOUSE GAS REDUCTION OR 23,595 TANKS OF PETROL

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 2015/16 budget.

Major Initiatives	Comment
Involve and inform the community on environmental issues, strategies and opportunities for reducing our environmental impact.	Comprehensive review of the Environment Strategy completed. <i>Environment Strategy 2016-2020</i> to be adopted in early 2016/17.
Increase the recovery of resources, minimise waste disposal to landfill and promote opportunities for new waste management facilities.	Successful implementation of the new organic waste collection service and increased recyclable recovery. Receipt of a \$75,000 State Government grant to conduct a feasibility study into the Benalla Landfill and Resource Recovery Centre becoming a regional waste facility.
Review, adopt and implement the <i>Roadside Vegetation Management Plan</i> taking into account conservation values and public safety expectations.	Roadside Vegetation Management Plan updated and continued to be implemented.

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	59	Organics waste collection service was introduced in 2015/16. Result is expected to improve as ratepayers and residents become more familiar with the new services.
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	56	
Proportion of collected household waste recycled versus landfill.	43%	60%	The Council introduced kerbside organics collection service in July 2015 and also offered 360L recycle bins to enhance the service.

The following statement reviews the services funded in 2015-16 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure \$'000	Revenue \$'000	Net Cost \$'000
Development and 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.	3,234	3,701	(467)

SMALL TEAM, BIG WASTE IMPACT

The waste team works in a complex legislative framework to ensure the Council meets its obligations to current and future residents, and continues to improve its processes for resource recovery. The Council is also an active participant in the regional programs delivered by North East Waste and Resource Recovery Group.

- The new landfill cell construction was completed, with some challenges around construction timing and the subsequent diversion of commercial waste from May to early June 2016.
- The North East Waste and Resource Recovery Group Implementation Plan, which will guide improvements in services for the next ten years, was developed and put out to the community for consultation. Benalla was best represented amongst the North East Council's community workshops.
- E-waste collection was enhanced with many items disposed of for free through an E waste voucher system and recycled by contractors.



NETWORKING FOR THE ENVIRONMENT

Council is represented on networks which provide the opportunity to collaborate in funding opportunities, share information and resources, participate in projects that would otherwise be unviable for Benalla Rural City and to have input into submissions to State and Federal Papers:

- 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 Water Quality Coordination Group
- Benalla Sustainable Future Group.

The Council is involved in three projects across the region which will be completed by the end of 2016: Climate Smart Agricultural Development in the Goulburn Broken, Resilient Community Facilities, and Rec-Less. These projects will provide information and tools to allow the community to better adapt to the impacts of climate change.

ENVIRONMENT STRATEGY REVIEWED

The review of the *Environment Strategy 2011-15* has acknowledged the achievements with actions to date, identified and incorporated new information and evidence to inform environmental management and identified actions to include in the updated Strategy. A draft *Environment Strategy 2016-20* was circulated to stakeholders and the community for feedback in June 2016.

The *Roadside Vegetation Management Plan* was adopted and is being implemented.

PREPARING FOR NATURAL DISASTERS

The Council continues to work with key stakeholders to improve its readiness and ability to recover from a broad range of natural disasters. Community experiences from the 2014 Stewarton and Boweya fires were captured in the *Rural Fire Tales* DVD and is being used across the state as a training tool.

The Flood Risk Property Information project will allow people to be more informed on their personal exposure to flooding. It incorporates an online tool which allows people to estimate

A major review of the Municipal Emergency Management Plan was undertaken this year and the new plan was audited by the SES.

WATTS WORKING BETTER PROJECT

The Watts Working Better Project has been completed which resulted in 766 lights within the Benalla municipality being changed over to an energy efficient alternatives.





COMMUNITY ENGAGEMENT

WE WILL ACTIVELY AND OPENLY COMMUNICATE AND ENGAGE WITH OUR COMMUNITY AND WORK COLLABORATIVELY WITH OTHERS THROUGH STRATEGIC PARTNERSHIPS AND RELATIONSHIPS.

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

Major Initiatives

Progress

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

Scope of work for Corporate Website developed ahead of procurement process.

Communications review resulted in approval of all letter templates across the organisation.

Adoption of a Social Media Protocol to allow the Council to use social media more effectively.

Youth Action Committee presented to the Council.

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.

More than 600 people participated in the first round of community engagement undertaken as part of the plan's development.

A Community Plan Steering Committee has overseen the project which is expected to be completed in August 2016.

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

Attended Hume Region Local Government Network meetings. Council will act as the network's secretariat in 2016/17. Hume Regional Management Forum disbanded and has been replaced by the Ovens and Murray Regional Partnership.

Other Initiatives

Ensure accountability and responsiveness in our customer service role.	<p><i>Customer Relations Strategy 2015-2017</i> and associated Customer Service Charter adopted by the Council in November 2015.</p> <p>Customer Relations Coordinator appointed to implement actions from the strategy.</p>
Connect and engage with Aboriginal and Torres Strait Islander people in our community.	<p>NAIDOC committee continues to meet to plan and coordinate activities promoting Aboriginal and Torres Strait Islander people and their culture to the broader community.</p> <p>The committee successfully advocated for the Indigenous Gardens to be renamed the Aboriginal gardens.</p> <p>Both the Aboriginal and Torres Strait Islander flags are now flown permanently at the Benalla Civic Centre alongside the Benalla Rural City, Victorian and Commonwealth flags.</p>

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 community consultation and engagement.	48	45	
Community satisfaction rating for our performance in informing the community.	54	49	

The following statement reviews the services funded in 2015-16 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure \$'000	Revenue \$'000	Net Cost \$'000
Communica- tions	Community engagement in accordance with the Council's Communication and Consultation Strategy.	204	(0)	204

95

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



JOURNEY BEGINS FOR A LONG TERM COMMUNITY PLAN

The community began the process of planning for its long-term future, to determine the kind of place it wants to be in decades to come.

Under the Benalla Rural City Community Plan Project, a steering committee with representatives from all sectors of the community conducted extensive consultation through “kitchen table” sessions, postcards, open house sessions, workshops and online engagement to identify the goals and aspirations of the people, businesses and organisations of the municipality.

A *Draft Community Plan* was developed to be reported to the Council in July 2016. The plan:

- identifies community assets and what people value about its community
- analyses the demographic makeup and trends in the community
- outlines a shared vision for the community
- provides strategies to achieve that vision.

The vision for the Community Plan is that it will be embraced by organisations and groups across the whole municipality to assist them in their future planning as well.

PLANNING FOR AN ACCESSIBLE COMMUNITY

The Benalla Rural City *Community Access and Inclusion Plan* was launched in December 2015, coinciding with the International Day of People With a Disability.

The Plan was the result of community consultation about how to include people of all abilities in every level of participation in civic and community life, reflecting the day’s theme of “Inclusion matters: Access and empowerment for people of all abilities”.

The plan puts in place strategies to help the community eliminate barriers and improve access for people of all diverse abilities.





YOUTH IN ACTION

The Youth Action Committee was established with 10 young people recruited, training session undertaken. The group identified youth mental health as a priority, and they assisted in the development of a resource card and videos for the Youth Mental Health Forum held in September. These resources are now also being distributed throughout the community.

A NAIDOC FIRST

NAIDOC week activities held in July included a guided tour of the Aboriginal Gardens, art activities, morning tea and an official flag raising ceremony which saw the three flags - Australian, Aboriginal and Torres Strait Islander flags raised together in Benalla for the first time.

The Benalla NAIDOC committee continues to meet regularly to stage activities at other times of the year including a yarning day for children who are home schooled or who attend any small rural schools. The Primary Care Partnership funded promotional NAIDOC jackets for all members of the Benalla working group featuring original art work by working group member and local artist Chris Thorne.

RURAL FIRE TALES

The Local People Making Local Solutions project was successfully completed. The project worked with four small rural communities and was successful in increasing resilience, community cohesion and overall understanding of emergency management (EM) and recovery in these communities. Three hundred and ten community members directly participated in the Rural Fire Tales component of the project (involved in interviews, workshops, two major community events where the film was screened.) The Rural Fire Tales project was chosen as one of 15 from across Australia and New Zealand to present at Monash University Disaster Resilience Initiatives Forum.



850+

PEOPLE RESPONDED TO
A SURVEY ABOUT THE
BENALLA PERFORMING
ARTS AND CONVENTION
CENTRE.



700+

PEOPLE WERE
CONSULTED AS PART OF
THE DEVELOPMENT OF
A 20 YEAR COMMUNITY
PLAN.

COMMUNITY SUPPORT PROGRAM

COMMUNITY GRANTS PROGRAM 2015/16

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

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

In February 2016, 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. Two information sessions were held in partnership with Tomorrow Today Foundation, Sport and Recreation Victoria, Valley Sport and the Council's Major Events program.

Twenty-eight applications were received under the Community Grants Program. A total of \$53,554 was sought in funding, with total project costs valued at \$148,346. Four applications were also received under the Youth Participation Grants Program. A total of \$2,999 was sought in funding, with total project costs valued at \$5,436.

Grants allocated under the 2015/16 Community Grants, Youth Participation and Community Sponsorship program

2015/16 Community Grants		
Applicant	Project	Funding Allocated
Benalla Bushrangers Cricket Club Inc.	Purchase of First Aid kits, large cricket net and junior cricket equipment.	\$2,223
Benalla and District Horse Driving Club Inc	Purchase of 50 x International cones for Horse Driving Club events and training.	\$875
Benalla & District Preschool Partnership – Bernard Briggs Campus	Replacement of children’s woodwork table and mini trampoline.	\$856
Benalla & District Preschool Partnership – Munro Avenue Preschool Campus	Purchase of recycling bins, animal games, outside games and equipment, a sorting table and wooden trays.	\$2,500
Benalla Family Research Group Inc.	Purchase of block out blinds for the windows at the Family Research library to assist with data projects and presentations.	\$1,496
Benalla Gardens Tennis Club Inc.	Repair of tennis court paving joints, replacement of two nets and resealing of courts.	\$2,500
Benalla Historical Society	Purchase of laptop computer and data projector to assist with presentations and public lectures.	\$1,773
Benalla Hockey Association	Purchase of Junior Goal Keeping Kit. School kit includes sticks, balls and shin pads which will support juniors to participate in hockey.	\$1,090
Benalla Lawn Tennis & Croquet Club	Upgrade to water system and pump on Broken River by installing computerised pop-up sprinkler system.	\$2,500
Benalla Netball Association	Upgrade to Churchill Reserve Clubrooms including tiling and plumbing in the female toilet facility.	\$2,500
Benalla Pony Club	Purchase of 200 new horse riding bibs for Pony Club activities and events.	\$1,900
Benalla Sports & Entertainment Centre	Purchase of Sound System for Lakeside Community Centre.	\$1,370
Benalla Sustainable Future Group	Funding support to assist with costs associated with conducting two Sustainable Housing Forums in Benalla.	\$1,750
Benalla YMCA	Purchase of inflatable pool equipment for young people at the Aquatic Centre.	\$2,500
Benalla Young Sportspersons Trust (auspiced by Benalla & District Junior Football League)	Funding to assist young sportspersons in the Benalla Rural City.	\$1,000
Benalla Youth Service Provider Network (auspiced by FCJ College, Benalla)	Funding assistance to facilitate with a Youth Mental Health Forum in Benalla.	\$2,500
Devenish Public Hall Inc.	Support to repair internal doors at the Devenish Public Hall.	\$2,500
Goorambat Public Hall Inc.	Funding to support the upgrade of the kitchen floor in the public hall supper room.	\$2,500

2015/16 Community Grants		
Applicant	Project	Funding Allocated
Moirs Bowls Club	Funding to assist with the purchase of a Bowling Green Scarifier.	\$2,500
Moorngag Hall & Recreation Reserve Inc.	Funding to assist with painting of the external walls of the Moorngag Hall.	\$2,200
Ride Avenue Pre School	Purchase and installation of a rainwater tank in the edible garden at the Pre School.	\$1,695
Swanpool Cinema Inc.	Installation of hearing induction loops and associated cabling and electrical work at the Swanpool Hall.	\$2,500
Tatong Anglers Group Inc	Funding support to assist with the purchase of four personal Location Beacons (PLB).	\$1,196
Tatong Memorial Hall Committee Inc.	Funding support to assist with the purchase of a refrigerator for the Tatong Memorial Hall.	\$2,500
Thoona Rural Fire Brigade (CFA)	Purchase of Auto External Defibrillator (AED) including installation expenses.	\$2,460
Tomorrow Today Foundation	Funding to assist with the development of the "Kids as Catalysts" Arts based Primary School program.	\$2,000
Waminda Community House Inc.	Funding to assist with the electrical upgrades to the newly refurbished Computer lab room at Waminda.	\$1,440
Winton Primary School Parents Association (auspiced by Winton Primary School)	Funding support to purchase equipment to establish two wicking beds for a community vegetable garden located at the Winton Primary School.	\$730
Total		\$53,554

2015/16 Youth Participation Grants		
Applicant	Project	Funding Allocated
Benalla Sustainable Futures Project	Funding to assist with bus hire, catering, equipment and materials to enable Year 9 Students to assist with the rehabilitation of the natural vegetation at Winton Wetlands.	\$1,000
Ozzie the Dinosaur project	Funding support to assist to purchase materials to develop soft sensory toys for children with autism which will be donated to Benalla Pre Schools.	\$1,000
Jump for Joy project	Funding to design and create a set of show jump wings for the Benalla Pony Club.	\$999
Total		\$2,999
Total for Community Grants and Youth Participation Grants		\$56,553

COMMUNITY SPONSORSHIP PROGRAM 2015/16

As detailed in the table below, in 2015/16, \$14,819 of assistance was provided to 32 community organisations from the Council's Community Sponsorship Program.

2015/16 Community Sponsorship Program		
Applicant	Project	Funding Allocated
Tomorrow Today Foundation	Contribution toward Tomorrow Today Foundation's annual Challenge appeal.	\$758
Benalla Rotary Club	Sponsoring of a local child to attend the annual Portsea Camp.	\$358
Benalla Swimming Club	To assist with the costs of hiring the Aquatic Centre for a Swimming Club District meeting in August.	\$500
Lurg Hall & Recreation Reserve Committee of Management	Supporting a Christmas in July community dinner at the Lurg Hall.	\$500
Benalla Sustainable Futures Group	Assistance provided to host a Sustainable housing Forum at BPACC aiming to help local home owners to reduce energy usage and thus reduce greenhouse gas emissions.	\$500
Warrenbayne Hall Committee	Assistance provided to install external lighting and equipment for the Warrenbayne Hall.	\$500
Rotary District 9790 Greensborough Central	Assistance with costs associated with facility hire (BPACC) for the Rotary District 9790 Greensborough Central region Rotary three day event held in Benalla.	\$500
MIND on behalf of Benalla Youth Service Provider Network	Assistance for the hire of BPACC for the Youth Mental Health Forum event held on 8 September 2015.	\$500
Cancer Charity Ride Victoria Inc.	Assistance to purchase materials to build a trailer that was auctioned to raise money to donate to the Cancer Council.	\$500
Incentive Community Education	Assistance provided to conduct a "Danger in Drugs" Community information session.	\$500
Multicultural Arts Victoria	Assistance provided to assist with costs associated with the staging of a cultural event in Benalla.	\$500
Goorambat Communities Committee (auspiced by Goorambat and District Community Hall)	Assistance provided for costs associated with the Benalla Festival "Night Balloon Glow" event held in Goorambat.	\$500
Tatong Village Market	Assistance provided for costs associated with the Benalla Festival Art Show to be held at the Tatong Hall.	\$406
Benalla Street Party Inc.	Assistance provided for costs associated with the Benalla East End Street Party as part of the Benalla Festival.	\$500
Goomalibee Rural Fire Brigade	Assistance to conduct a community Christmas event at the Goomalibee CFA.	\$500

2015/16 Community Sponsorship Program

Applicant	Project	Funding Allocated
Benalla and District Junior Football League on behalf of Benalla United	Sponsorship for the club to purchase football jumpers for the newly formed Benalla United Team which is a new under 18s football team for the Ovens and King football netball League, based in Benalla.	\$500
Benalla P – 12 College	Sponsorship of a Year 12 Graduation award for a student encouraging ongoing learning and leadership.	\$200
Baddaginnie CFA	Assistance provided to the Baddaginnie CFA to assist with conducting a Baddaginnie Community Christmas Function to be held in December 2015.	\$500
Waminda Community House	Support for the Waminda community house Christmas Party which aims to recognise the valuable support of local volunteers and to recognise the nomination of the community Garden in the Regional Achievement and Community Awards.	\$440
Tatong Young Bloods	Assistance provided for a community event in Tatong	\$480
Benalla Act to D-Feet Motor Neurone Disease (MND) Association of Victoria	Assistance provided for the hire of audio equipment for their annual fundraising event.	\$500
Benalla Theatre Company	Assistance with costs associated with facility hire (BPACC) for the Benalla Theatre Company 2016 Musical "Breaking Up is Hard to Do".	\$500
Benalla & District Junior Football League Inc.	Funding support provided through complimentary BPACC movie tickets for the Under 16, Under 14 and Under 12 junior football divisions, promoting a partnership between the Council and the Football Club.	\$500
Benalla Scouts	Assistance provided to hire a bus to travel to the Melbourne Zoo in March 2016 to meet the King of Sweden and to participate in a Scouting Victoria State wide Cub Scout Picnic.	\$500
Molyullah Recreation and Public Hall Reserve Committee of Management	Assistance provided to cover the costs of rubbish bins provided at the annual Molyullah Easter Sports Day which was held on 28 March 2016.	\$375
Broken Creek Primary School Parents Club	Assistance provided for the hire of equipment for the schools 150 year School celebrations held on 30 April 2016.	\$500
Swanpool Bowls Club Inc.	Assistance with costs associated with the Swanpool Bowls Anzac Day tournament held in Swanpool on 25 April 2016.	\$500
Baddaginnie Community Inc.	Assistance provided to purchase a defibrillator and infant child/key defibrillator and start pads to be jointly shared by three Baddaginnie Community groups including Baddaginnie CFA, Baddaginnie Op Shop and Baddaginnie Water Co op.	\$500

2015/16 Community Sponsorship Program		
Applicant	Project	Funding Allocated
Winton Wetlands Committee of Management	Assistance with the costs of hiring a shuttle bus for community members to attend the Mokoan Music Festival held in May 2016.	\$500
Hume Veterans Cycling Club	Assistance provided for the hire of the Senior Citizens Hall for the Hume Veterans Cycling Club Open.	\$160
Benalla Gymnastics Club Inc.	Assistance provided to assist with costs associated with a fundraising BBQ held in Benalla in July 2016.	\$292
Alzheimer's Australia Vic	Assistance provided for costs associated with hire of the Benalla Town Hall for a local "Afternoon Tea Dance" for local residents with a dementia diagnosis, family and friends as well as the wider community including residents in aged care.	\$350
Total for Community Sponsorship Grants		\$14,819

MAJOR EVENT FUNDING

Under the 2015/16 Major Event Funding round, the Council allocated the following funds:

Austin 7s Historic Winton	\$1,500
Baddaginnie Aero Model Competition	\$1,500
Benalla's Better Bike Hike	\$1,300
Benalla Relay For Life	\$500
Benalla Street Party	\$1,000
Devenish High Tea – Table Art Extravaganza	\$1,200
Fly In and Swap Meet	\$500
Happy Wanderer Festival	\$1,000
Lake Benalla Triathlon	\$1,000
World Gliding Competition	\$1,000
Total	\$12,000

VENUE HIRE SUBSIDY PROGRAM 2015/16

Organisation	Use of Venue	Subsidy granted
Friends of Benalla Library Inc	11 meetings held at the Sir Edward 'Weary' Dunlop Learning Centre.	\$120
Friends of BPACC Inc	Seven meetings held at the Benalla Performing Arts and Convention Centre.	\$231
Friends of Benalla Art Gallery Inc	Four meetings held at the Benalla Art Gallery. Four music concerts held at the Benalla Art Gallery.	\$6,292



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 2015/16 budget.

Major Initiatives:	Progress:
Continue to implement strategies to attract, retain and develop staff to create a high performance organisation.	Recruitment processes now involve distribution of a combined information pack to applicants.
Pursue innovation and efficiency in our systems and processes.	IT policies updated and released. Backup generator installed at the Customer Service Centre. IT Support Services contract started. Preparations for the server virtualisation and "Thin Client" PC rollout, RM 8 (records management system) and Office 365 projects have commenced.
Actively advocate for our community in our relationships with State and Federal Governments and statutory authorities.	Several discussions took place with the Environment Protection Authority on issues associated with the Benalla Landfill and Resource Recovery Centre. Hosted several visits from State and Australian Government members of Parliament. Mayor and CEO attended the Australian Local Government Association National Assembly in Canberra.
Maintain viable and sustainable income sources through our revenue strategy and by seeking additional grant funding.	Rating and Revenue Strategy reviewed and updated. \$2.951 million in capital grants received, including Roads to Recovery \$1.958 million, Landfill lining \$223,000, Airport Redevelopment \$207,000, Airport Infrastructure Works \$210,000 and \$75,000 to undertake a feasibility study into the Benalla Landfill and Resource Recovery Centre becoming a regional waste disposal facility.

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	44	
Community satisfaction rating on our overall performance	48	51	
Community satisfaction rating on our interaction and responsiveness in dealing with the public (customer service)	63	70	Pleasing result following appointment of Customer Relations Coordinator
Community satisfaction rating on our performance in relation to advocacy (lobbying on behalf of the community)	47	48	
Staff turnover rate	Higher than 5% and less than 10%	11%	
Indebtedness Ratio	50% or less	62%	Significant increase in the Landfill Rehabilitation Provision has impacted on the ratio
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		Medium Risk Sustainability Assessment	Indebtedness Ratio of more than 60% has resulted in a Medium Risk overall financial sustainability assessment

The following statement reviews the services funded in 2015-16 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure \$'000	Revenue \$'000	Net Cost \$'000
Corporate and Community	Includes the General Manager Corporate and Community and associated support. Also includes the governance function.	577	(19)	558
Chief Executive Officer	Chief Executive Officer, Mayor and Councillor support.	807	(23)	784
Customer Relations	Includes Customer Relations functions in accordance with Council's Customer Service Strategy and associated Charter and maintenance of customer request system. Provides document management, including the creation, scanning, maintenance, archiving and disposal of all corporate records together the administration of incoming and outgoing mail. Also includes the operations of the Benalla Civic Centre and Benalla Drill Hall Community Activity Centre.	561	(9)	552
Finance	Provides financial based services including the management of Council's finances, coordination of procurement activities, raising and collection of debtors, repayment of loans and forward financial planning. Also delivers property based services including the valuation of properties throughout the municipality and agreements over Council controlled property.	1,249	(14,945)	(13,696)
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.	1,787	(57)	1,730



BETTER CUSTOMER SERVICE

A new Customer Relations Coordinator has been appointed who will implement actions from the *Customer Relations Strategy 2015-2017* and continue to develop customer service across the wider organisation. The Strategy and a Customer Service Charter were commercially designed and printed to assist staff and members of the public to understand the Council's customer service objectives and expectations.

MANAGING RISK

Benalla Rural City Council has a risk management framework in place which includes a strategy aligning directly with the International Standards AS/NZS ISO 31000:2009. 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 Elumina Risk Management System records all risk related information from across the organisation and all managers are aware of their responsibility to ensure good risk practices are being implemented throughout the work sites.

EMPLOYEE CONDITIONS

Recruitment, induction and all other aspects relating to the attraction and retention of staff continues to be developed and kept in line with the wider industry standards. Opportunities for learning and development are identified through Council's Staff Performance and Development process.

This can include training through the e-learning portal, workshops, conferences and formal study options. We recognise the importance of learning and development opportunities allowing for staff to progress and meet the changing needs of the industry.

Following an extensive consultation period with employees, management and union industrial officers, the Benalla Rural City Council Enterprise Agreement 2015 became operational on 11 May 2016. The Agreement offers a range of benefits to employees, including:

- Employee Assistance Program
- Flexibility in work and leave arrangements
- Study Assistance
- Immunisation Program
- Personal Emergency Assistance (Family Violence)
- End of Band Payment.

IMPROVING OUR SYSTEMS

The Council's *Information and Communications Technology Strategy 2013-2017* continues to be rolled out. The implementation of a new help desk ticket system using external contractors has allowed the department to focus on developing strategies for upgrading network infrastructure, software packages and records technology. Significant planning has been undertaken throughout 2015/16 to prepare for the rollout of a new operating system and virtual desktops in September 2016.

STATUTORY INFORMATION

BEST VALUE

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

The Best Value Principals are:

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

Examples of how Council gave effect to the Best Value Principles during the 2015/16 financial year included:

- consultation programs for the Benalla Airport Master Plan, Community Plan and Benalla Aquatic Centre Redevelopment
- a review of the Customer Relations Strategy and Customer Relations Charter
- participation in the 2016 Local Government Community Satisfaction Survey
- establishment of project steering committees, which included community representatives 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

- Community Access and Inclusion Plan adopted
- Accessibility Reference Group formed
- Communications Accessibility audit conducted at key customer contact locations.

CARERS RECOGNITION ACT 2012

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

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

DOCUMENTS FOR PUBLIC INSPECTION

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

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

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

CONTRACTS

During the year the Council entered into three contracts valued at \$150,000 or more without first engaging in a competitive process in accordance with Section 186 of the *Local Government Act 1989*. The contracts were: Tonkin and Taylor Pty Ltd (\$385,219), Meinhardt Pty Ltd (\$238,059) and Senversa Pty Ltd (\$195,563).

DISABILITY ACTION PLAN

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

DOMESTIC ANIMAL MANAGEMENT PLAN

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

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

FOOD ACT MINISTERIAL DIRECTORS

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

No such Ministerial Directions were received by the Council during the financial year.

FREEDOM OF INFORMATION

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, The Council is required to publish certain statements in their annual report or separately such as on its website concerning its function and information available. The Council has chosen to publish the statements separately, however, provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

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

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

Requests for documents in the possession of the Council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email.

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

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

PROTECTED DISCLOSURE PROCEDURES

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

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

During the 2015-16 year no disclosures were notified to Council officers appointed to receive disclosures.

ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

In accordance with section 22 of the Road Management Act 2004, the Council must publish a copy or summary of any Ministerial direction in its annual report. No such Ministerial Directors were received by the Council during the financial year.

ACCOUNTABILITY AND GOVERNANCE

Like all Local Government in Victoria, 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
Planning and Development Committee	This Committee considers all matters relating to strategic and statutory planning and associated matters, infrastructure, environmental issues and economic development matters. Membership is all of the Councillors and the quorum for this Committee is a majority of the members.
Finance and Operations Committee	This Committee considers all governance and financial matters, social and cultural development and matters relating to the operation of Council's organisational administration. The membership of the Finance and Operations Committee is all of the Councillors and the quorum for this committee is a majority of members.
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: 13 Ordinary Meetings, 5 Special Meetings

Councillor attendance at Council meetings and Special Council meetings during 2015/16.

Councillor	Number of Council meetings attended	Number of Special Council meetings attended	Total
Cr Justin King (Mayor)	11	5	16
Cr Barbara Alexander	12	5	17
Cr Ellen Crocker	12	5	17
Cr Peter Davis	9	4	13
Cr Suzy Martin (resigned 30 June 2016)	8	3	11
Cr Margaret Richards	12	5	17
Cr Andrew Vale	12	2	14

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 oversee the strategic direction of the Benalla Art Gallery.

FINANCE AND OPERATIONS COMMITTEE MEETINGS DURING 2015/16

Councillor	Number of meetings attended	Number of meetings held
Cr Justin King (Mayor)	10	13
Cr Barbara Alexander	13	13
Cr Ellen Crocker	13	13
Cr Peter Davis	12	13
Cr Suzy Martin (resigned 30 June 2016)	9	13
Cr Margaret Richards	12	13
Cr Andrew Vale	7	13

PLANNING AND DEVELOPMENT COMMITTEE MEETINGS 2015/16

Councillor	Number of meetings attended	Number of meetings held
Cr Justin King (Mayor)	9	13
Cr Barbara Alexander	12	13
Cr Ellen Crocker	12	13
Cr Peter Davis	13	13
Cr Suzy Martin (resigned 30 June 2016)	8	13
Cr Margaret Richards	9	13
Cr Andrew Vale	11	13

BENALLA ART GALLERY SPECIAL COMMITTEE MEETINGS DURING 2015/16

Councillor	Number of meetings attended	Number of meetings held
Cr Suzy Martin	5	5
Cr Margaret Richards	5	5

COUNCILLOR CODE OF CONDUCT

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

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

CONFLICT OF INTEREST

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

Included in the agenda papers for every Council and committee meeting is a reminder of the obligation of Councillors and officers under the *Local Government Act 1989* to disclose any conflict of interest and step away from discussion and decision making in regard to the matter.

During 2015/16 there were 23 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 2015/16 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 per cent less than the maximum amount payable to a Category 1 Council with an amount equivalent to the deduction being donated to an appropriate charity as determined by the Council.

In 2015/16 an amount of \$4,242 was donated to the Tomorrow:Today Foundation from savings generated by the reduced Councillor allowance payments.

The table below presents the allowances paid to each Councillor during 2015/16:

Councillor	Allowance (\$)
Cr Justin King (Mayor)	61,219.39
Cr Barbara Alexander	20,490.97
Cr Ellen Crocker	20,490.97
Cr Peter Davis	20,490.97
Cr Suzy Martin	20,490.97
Cr Margaret Richards	20,490.97
Cr Andrew Vale	20,490.97

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	FCPA	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	BBus	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	BBus M(Com)	Currently the Finance Manager at Coinda Village Inc. in Benalla. Experience in working in the health, legal, employment services and agricultural industries. Member of the Institute of Public Accountants. Holds Executive Certificate in Corporate Governance and currently undertaking a Master of Business Administration. Over the past 10 years has volunteered as treasurer/secretary to sporting clubs and associations in the Benalla area.

Attendance

During the 2015-16 financial year there was a quorum for each Audit Advisory Committee meeting, where the appointed Chair presided. Attendance of AAC members for the 2015-16 meeting schedule is summarised below.

	July 2015	August 2015	November 2015	March 2016
Wayne Neylon, Chair	✓	✓	✓	✓
Rita HP Ruyters	✓	✓	✓	✓
John Stapleton	✓	✓	✓	✓
Cameron Gray	✓	✓	✓	✓
Cr Justin King, Mayor				✓
Cr Margaret Richards, Acting Mayor			✓	
Cr Barbara Alexander, Chair 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
- review of financial statement.

COUNCIL ADVISORY COMMITTEES

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

Council Advisory Committee	Purpose of Committee
Audit Advisory Committee	An independent Advisory Committee which assists the Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.
Australia Day Advisory Committee	Assists in the coordination of Australia Day Celebrations throughout the municipality.

Council Advisory Committee	Purpose of Committee
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	Oversees the progression of priority projects identified in the Council Plan 2013-2017.
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: 29/06/2016
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: 29/06/2016
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans ✓ Date of operation of current plans: <ul style="list-style-type: none"> • Buildings 11/07/2012 • Roads 8/8/2012 • Bridges 8/8/2012 • Footpaths and cycleways 5/9/2007

Governance and Management Item		Assessment
6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy ✓ Date of current strategy : 29/06/2016
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy ✓ Date of current policy: 14/08/2013
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 Emergency Management Act 1986 for emergency prevention, response and recovery)	Plan ✓ Date maintained in accordance with Section 20 of the Emergency Management Act 1986: 29/06/2016
10	Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Policy ✓ Date prepared and approved in accordance with section 186A of the Local Government Act : 03/06/2015
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: 30/01/2011
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: 28/02/2011
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework ✓ Date of current framework: 30/06/2014
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: 01/02/2005
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: 24/07/2003
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: 01/07/2014
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)	✓ 30/03/2016

Governance and Management Item	Assessment
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: 18/11/2015, Q2: 02/03/2016, Q3: 25/05/2016, Q4: 21/09/2016
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Report ✓ One report only for 2015/16 - Date report prepared and presented: 01/07/2015
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)	✓ 04/11/2015 30/03/2016
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Considered at a meeting of Council in accordance with Section 134 of the Act ✓ Council Meeting: 04/11/2015
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with Section 76C of the Act ✓ Date reviewed: 25/05/2016
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with Section 98(6) of the Act ✓ Date of review: CEO to staff 09/10/2015, Council to staff 04/02/2016
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with Section 91(1) of the Act ✓ Date Local Law made: 26/11/2008

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



Veronica Schilling
Acting Chief Executive Officer

27 September 2016



Cr Justin King
Mayor

27 September 2016

PERFORMANCE STATEMENTS

PERFORMANCE STATEMENT

For the year ended 30 June 2016

Ref Reg	
17(1)	<p>Description of municipality</p> <p>The Benalla Rural City Council (the council) is situated 193 kilometres north east of Melbourne. It includes the eight rural townships of Benalla, Baddaginnie, Devenish, Goorambat, Swanpool, Thoona, Tatong and Winton. Benalla is renowned for its beautiful and picturesque rural landscape and welcoming rural towns. The central lake, botanical gardens and riverine parklands, walking paths, and an attractive and vibrant centre, are the key features. The main industries include, manufacturing, agriculture, retail and construction. The council covers an area of 235,059 hectares and has a population of 13,597.</p>

SUSTAINABLE CAPACITY INDICATORS

for the year ended 30 June 2016

Ref Reg	Indicator/ <i>measure</i>	Results 2015	Results 2016	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	\$1,460	
16(1) 17(2)	Recurrent grants <i>Recurrent grants per head of municipal population</i> (Recurrent grants / Municipal population)	\$706	\$445	Victorian Grants Commission grant funds received in 2015 \$5.7 million, 2016 \$1.9 million impact reduced grant funds due to timing difference.
	Population <i>Expenses per head of municipal population</i> (Total expenses / Municipal population)	\$2,401	\$2,015	Impacted by increase in the Landfill Rehabilitation Provision in 2015.
	<i>Infrastructure per head of municipal population</i> (Value of infrastructure / Municipal population)	\$13,816	\$13,498	
	<i>Population density per length of road</i> (Municipal population / Kilometres of local roads)	10	10	
	Disadvantage <i>Relative socio-economic disadvantage</i> (Index of Relative Socio-economic Disadvantage by decile)	2	2	

Definitions

“adjusted underlying revenue” means total income other than—

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

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

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

“population” means the resident population estimated by council

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

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

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

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

SERVICE PERFORMANCE INDICATORS

for the year ended 30 June 2016

Ref Reg	Service/Indicator/measure	Results 2015	Results 2016	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	44	Councillor and management workshop to be conducted to identify reasons for decrease in community satisfaction.
	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%	100%	There were no decisions taken to VCAT in 14/15. In 2015/16 one of one matter was found in favour of the Council.
	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	51	
	Libraries Participation <i>Active library members</i> (Number of active library members / Municipal population) x100	24%	19%	New data collection method used in 2016.
	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%	60%	The Council introduced kerbside organics collection service in July 2015 and also offered 360L recycle bins to enhance the service.
	Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities / Municipal population)	6	7	Utilisation varies from year to year.
	Animal management Health and safety <i>Animal management prosecutions</i> (Number of successful animal management prosecutions)	8	8	

SERVICE PERFORMANCE INDICATORS

for the year ended 30 June 2016

Ref Reg	Service/Indicator/measure	Results 2015	Results 2016	Material Variations
	Food safety Health and safety <i>Critical and major non-compliance notifications</i> (Number of critical non-compliance notifications and major noncompliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises) x100	100%	100%	There were no critical non-compliance notifications and no major noncompliance notifications about food premises in 2015/16.
	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%	22%	Number of clients receiving HACC services has reduced due to significant Government funding reductions in 2014/2015.
	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%	13%	Number of CALD clients receiving HACC services has reduced due to significant Government funding reductions in 2014/2015.
	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%	84%	
	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%	89%	

SERVICE PERFORMANCE INDICATORS

for the year ended 30 June 2016

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

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

“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 2016

Ref Reg	Dimension/indicator/measure	Results	Results	Forecasts					Material Variations
		2015	2016	2017	2018	2019	2020		
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%	-3%	8%	2%	1%	2%		Impacted by increase in the Landfill Rehabilitation Provision in 2015.
	Liquidity Working capital <i>Current assets compared to current liabilities</i> (Current assets / Current liabilities) x100	127%	120%	87%	89%	100%	96%		
	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> (Unrestricted cash / Current liabilities) x100	55%	68%	50%	51%	62%	59%		Higher cash levels as some large capital works projects delayed in 2016.
	Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> (Interest bearing loans and borrowings / Rate revenue) x100 <i>Loans and borrowings repayments compared to rates</i> (Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x100	47%	41%	36%	32%	28%	25%		Loan borrowing 500,000 in 2016, strategy is to reduce borrowings.

Ref Reg	Dimension/ <i>indicator /measure</i>	Results		Forecasts					Material Variations
		2015	2016	2017	2018	2019	2020		
	Indebtedness <i>Non-current liabilities compared to own source revenue</i> (Non-current liabilities / Own source revenue) x100	68%	62%	56%	50%	48%	45%	Impacted by increase in the Landfill Rehabilitation Provision in 2015 to \$7.522 million, currently \$6.829 million following a review of works required to meet the applicable standards.	
	Asset renewal <i>Asset renewal compared to depreciation</i> (Asset renewal expenses / Asset depreciation) x100	45%	52%	81%	49%	49%	48%	Capital grants funding obtained in 2015/16 enabled additional renewal works to be undertaken.	
	Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> (Rate revenue / Adjusted underlying revenue) x100	50%	59%	51%	57%	58%	58%	Impacted by the early receipt of Victorian Grants Commission funding in June 2015.	
	Rates effort <i>Rates compared to property values</i> (Rate revenue / Capital improved value of rateable properties in the municipality) x100	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%		
	Efficiency Expenditure level <i>Expenses per property assessment</i> (Total expenses / Number of property assessments)	\$4,399	\$3,418	\$3,616	\$3,592	\$3,662	\$3,760	Impacted by increase in the Landfill Rehabilitation Provision in 2015.	
	Revenue level <i>Average residential rate per residential property assessment</i> (Residential rate revenue / Number of residential property assessments)	\$1,532	\$1,577	\$1,673	\$1,693	\$1,751	\$1,812		

Ref Reg	Dimension/indicator/measure	Results		Forecasts					Material Variations
		Results							
		2015	2016	2017	2018	2019	2020		
	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%	11%	10%	10%	10%	10%	Impacted by organisation review.	

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 2016

Ref
Reg

1. Basis of preparation

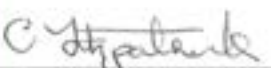
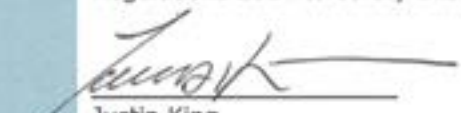

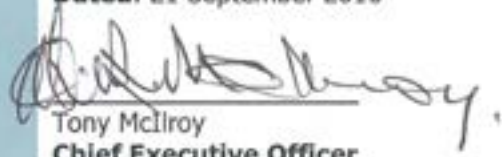
Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district 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 29 June 2016 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

CERTIFICATION OF THE PERFORMANCE STATEMENT

Ref Reg	
18(1)	In my opinion, the accompanying performance statement has been prepared in accordance with the <i>Local Government Act 1989</i> and the Local Government (Planning and Reporting) Regulations 2014.
18(2)	 Cathy Fitzpatrick, CPA Principal Accounting Officer Dated: 21 September 2016
18(2)	<p>In our opinion, the accompanying performance statement of the Benalla Rural City Council for the year ended 30 June 2016 presents fairly the results of council's performance in accordance with the <i>Local Government Act 1989</i> and the Local Government (Planning and Reporting) Regulations 2014.</p> <p>The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.</p> <p>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.</p> <p>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.</p> <div data-bbox="175 1243 638 1444">  Justin King Mayor Councillor Dated: 21 September 2016 </div> <div data-bbox="255 1444 718 1635">  Barbara Alexander Councillor Dated: 21 September 2016 </div> <div data-bbox="215 1624 718 1821">  Tony McIlroy Chief Executive Officer Dated: 21 September 2016 </div>

AUDITOR-GENERAL'S REPORT

for the year ended 30 June 2016

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Benalla Rural City Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Benalla Rural City Council which comprises the statement, the related notes and the certification of the performance statement.

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 2016

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, I and my 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 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
23 September 2016


Andrew Greaves
Auditor-General

FINANCIAL REPORT

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COMPREHENSIVE INCOME STATEMENT

for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Income			
Rates and charges	3	15,495	14,724
Statutory fees and fines	4	302	248
User fees	5	3,866	3,482
Grants - operating	6	4,571	8,512
Grants - capital	6	2,951	3,288
Contributions - monetary	7	91	-
Contributions - non monetary	7	29	-
Net gain on disposal of property, infrastructure, plant and equipment	8	3	-
Share of net profits of associates	16	-	28
Other income	9	305	511
Total income		27,613	30,793
Expenses			
Employee costs	10	11,381	11,116
Materials and services	11	11,831	11,228
Bad and doubtful debts	12	-	6
Depreciation and amortisation	13	3,797	3,745
Borrowing costs	14	315	319
Share of net loss of associates	16	51	-
Other expenses	15	27	6,232
Total expenses		27,402	32,646
Surplus/(deficit) for the year		211	(1,853)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation (decrement)/increment	30	(4,273)	2,028
Share of other comprehensive income of High Country Library Corporation accounted for by the equity method	16	-	(6)
Total comprehensive result		(4,062)	169

The above comprehensive income statement should be read in conjunction with the accompanying notes set out on pages 92 to 131.

BALANCE SHEET

as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	4,464	5,332
Trade and other receivables	18	1,990	2,079
Other financial assets	19	1,474	1,273
Inventories	20	38	25
Other assets	22	52	57
Total current assets		8,018	8,766
Non-current assets			
Investments in associates	16	456	507
Property, infrastructure, plant and equipment, artworks	23	211,626	215,678
Total non-current assets		212,082	216,185
Total assets		220,100	224,951
Liabilities			
Current liabilities			
Trade and other payables	26	2,492	2,057
Trust funds and deposits	27	637	619
Provisions	28	2,538	3,034
Interest-bearing loans and borrowings	29	1,028	1,197
Total current liabilities		6,695	6,907
Non-current liabilities			
Provisions	28	7,126	7,213
Interest-bearing loans and borrowings	29	5,263	5,753
Total non-current liabilities		12,389	12,966
Total liabilities		19,084	19,873
Net assets		201,016	205,078
Equity			
Accumulated surplus		125,441	125,300
Reserves	30	75,575	79,778
Total Equity		201,016	205,078

The above balance sheet should be read in conjunction with the accompanying notes set out on pages 92 to 131.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2016					
Balance at beginning of the financial year		205,078	125,300	79,516	262
Surplus/(deficit) for the year		211	211	-	-
Net asset revaluation increment/(decrement)	30(a)	(4,273)	-	(4,273)	-
Transfers to other reserves	30(b)	-	(70)	-	70
Transfers from other reserves	30(b)	-	-	-	-
Balance at end of the financial year		201,016	125,441	75,243	332

		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

The above statement of changes in equity should be read in conjunction with the accompanying notes set out on pages 92 to 131.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

		2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and charges		15,428	14,640
Statutory fees and fines		332	248
User fees		4,092	4,238
Grants - operating		4,740	11,340
Grants - capital		2,951	-
Contributions - monetary		228	-
Interest received		180	224
Trust funds and deposits taken		53	115
Other receipts		91	284
Net GST refund		1,107	1,359
Employee costs		(11,264)	(10,866)
Materials and services		(14,375)	(13,502)
Trust funds and deposits repaid		(35)	(79)
Net cash provided by operating activities	31	3,528	8,001
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	23	(3,617)	(6,704)
Proceeds from sale of property, infrastructure, plant and equipment		3	-
Payments for investments		(1,474)	(1,273)
Proceeds from sale of investments		1,666	2,959
Net cash used in investing activities		(3,422)	(5,018)
Cash flows from financing activities			
Finance costs		(315)	(319)
Proceeds from borrowings		500	1,000
Repayment of borrowings		(1,159)	(1,354)
Net cash used in financing activities		(974)	(673)
Net (decrease)/increase in cash and cash equivalents		(868)	2,310
Cash and cash equivalents at the beginning of the financial year		5,332	3,022
Cash and cash equivalents at the end of the financial year	17	4,464	5,332
Financing arrangements	32		
Restrictions on cash assets	17		

The above statement of cash flows should be read in conjunction with the accompanying notes set out on pages 92 to 131.

STATEMENT OF CAPITAL WORKS

for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Property			
Land		-	-
Total land		-	-
Buildings		450	2,053
Total buildings		450	2,053
Total property		450	2,053
Plant and equipment			
Plant, machinery and equipment		3	31
Fixtures, IT, fittings and furniture, artworks		232	274
Total plant and equipment		235	305
Infrastructure			
Roads		1,391	1,671
Bridges		791	640
Footpaths and cycleways		9	125
Drainage		20	125
Waste management		1,184	1,247
Total infrastructure		3,395	3,808
Total capital works expenditure		4,080	6,166
Represented by:			
New asset expenditure		1,376	2,058
Asset renewal expenditure		1,966	1,687
Asset upgrade expenditure		738	2,421
Total capital works expenditure		4,080	6,166

Work in progress figures split across categories from Note 23

The above statement of capital works should be read in conjunction with the accompanying notes set out on pages 92 to 131.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Introduction

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

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

(b) Changes in accounting policies

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

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2016, 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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

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.

(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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

(f) Revenue recognition (cont.)

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.

(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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

(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

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.

Revaluation

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

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

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

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

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the fair value basis. As at 30 June 2016 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 2016/17 financial report.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

(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.

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
land	-	-
land improvements	-	-
Buildings		
buildings	60-100 years	5
building improvements	60-100 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	3 to 5 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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

(p) Investment property

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

(q) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs 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.

(r) Trust funds and deposits

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

(s) Borrowings

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

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

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

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

(t) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

(t) Employee costs and benefits (cont.)

Long service leave

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

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

The components of this current liability are measured at :

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

Classification of employee costs

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

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

(u) Landfill rehabilitation provision

Council is obligated to restore Benalla Landfill and Recovery Centre site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill.

The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

(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 the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 36 contingent liabilities and contingent assets.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

(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 AAS's have been issued that are not mandatory for the 30 June 2016 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 2016

Note 2 Budget comparison

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

The budget figures detailed below are those adopted by Council on 24 February 2016 for the revised 2015 - 2016 Budget. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

(a) Income and Expenditure

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Income				
Rates and charges	15,406	15,495	89	
Statutory fees and fines	269	302	33	
User fees	3,085	3,866	781	1
Grants - operating	4,204	4,571	367	2
Grants - capital	2,358	2,951	593	3
Contributions - monetary	-	91	91	4
Contributions - non monetary	-	29	29	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	3	3	
Interest	163	181	18	
Other income	127	124	(3)	
Total income	25,612	27,613	2,001	
Expenses				
Employee costs	11,221	11,381	(160)	5
Materials and services	9,565	11,831	(2,266)	6
Depreciation and amortisation	4,888	3,797	1,091	7
Borrowing costs	281	315	(34)	
Share of net loss of associates	-	51	(51)	8
Other expenses	866	27	839	9
Total expenses	26,821	27,402	(581)	
Surplus/(deficit) for the year	(1,209)	211	1,420	

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 2 Budget comparison (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees	Gross Aquatic Centre revenues of \$707,000 were not budgeted for and offset by expenses of \$707,000. Additional amounts included Long Service Leave transfers \$51,000, Workcover reimbursements \$39,000, Sale of Steel at the Benalla Landfill \$26,000 and an increase in Registration Fees across Council of \$24,000. These amounts were offset by a reduction in fee income for the Benalla landfill of \$81,000 following the closure of the facility for 3 months.
2	Grants - operating	Grants relating to Regional Assessment Service Coordinator \$214,000, additional Family Support funding \$120,000 and HACC Minor Capital \$46,000 were received but not budgeted for.
3	Grants - capital	Grants relating to the Landfill Lining \$223,875, Airport Redevelopment \$207,000 and Airport Infrastructure Works \$210,000 and the Regional Landfill Shared Services feasibility study grant for \$75,000 were received but not budgeted for. The Benalla Adventure Park received \$200,000 less funding than budgeted due to timing delays in the project.
4	Contributions - monetary	Contributions were received for the Churchill Park Court upgrade \$45,000 and the Indoor Recreation Centre upgrade \$32,000
5	Employee costs	An organisation operational review with redundancies to the value of \$152,000 were included. The creation of a Grants Officer position contributed \$113,000. This was offset in savings in the Community Services area of \$78,000 and increases in Long Service Leave taken \$53,000.
6	Materials and services	Materials and services expenses were \$2.266 million more than budget. Gross Aquatic Centre expenses of \$707,000 were not budgeted for and offset by revenue of \$707,000. In its first operational year, the Organics Waste Collection service cost an additional \$273,000. Information Technology additional costs of \$245,000 included the awarding of a services support contract for \$138,000. Costs associated with Landfill were \$485,000 greater than budget. Additional street tree programs cost \$126,000 more than budgeted. Tip diversion costs of \$94,000 resulting from the closure of the Benalla Landfill were not budgeted for. The remaining variance to budget related to a number of small administrative expenses.
7	Depreciation and amortisation	The closure of the Benalla Landfill between February and June 2016 resulted in a large reduction in the depreciation allowance which is calculated based on fill volumes.
8	Share of net profits/(losses) of associates	The closure of the High Country Library Corporation and subsequent transfer costs to Council resulted in a \$51,000 write-down of equity in the Library Corporation.
9	Other expenses	An \$860,000 reduction in expenditure for the Benalla Rehabilitation Landfill provision occurred due to a \$692,000 reduction in the future rehabilitation of the cell due to a significant adjustment in the extent of future works following an independent report. Additionally, \$167,000 of budgeted rehabilitation works were not started.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 2 Budget comparison (cont.)

(b) Capital Works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Property				
Land	15	-	(15)	
Land improvements	-	-	-	
Total Land	15	-	(15)	
Buildings	260	450	190	1
Total Buildings	260	450	190	
Total Property	275	450	175	
Plant and Equipment				
Plant, machinery and equipment	105	3	(102)	2
Fixtures, IT, fittings and furniture, artworks	343	232	(111)	3
Library books	-	-	-	
Total Plant and Equipment	448	235	(213)	
Infrastructure				
Roads	1,440	1,363	(77)	
Bridges	1,025	784	(241)	4
Footpaths and cycleways	78	9	(69)	
Drainage	349	20	(329)	5
Recreational, leisure and community facilities	548	-	(548)	6
Waste management	1,430	1,184	(246)	7
Aerodromes	582	-	(582)	8
Off street car parks	300	35	(265)	9
Other infrastructure	62	-	(62)	
Total Infrastructure	5,814	3,395	(2,419)	
Total Capital Works Expenditure	6,537	4,080	(2,457)	
Represented by:				
New asset expenditure	1,942	1,376	(566)	
Asset renewal expenditure	3,532	1,966	(1,566)	
Asset expansion expenditure	100	-	(100)	
Asset upgrade expenditure	963	738	(225)	
Total Capital Works Expenditure	6,537	4,080	(2,457)	

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 2 Budget comparison (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Building works higher by \$76,000 due to Aquatic centre redevelopment study and \$58,000 Bus shelter construction funded in part by grant received in 2014/15.
2	Plant, machinery and equipment	Budgeted plant purchases were held over with a review of items required to be undertaken in 2016/17, vehicle replacement \$30,000 due to insurance reimbursement to occur in 2016/17.
3	Fixtures, IT, fittings and furniture, artworks	Information system project under spend by \$42,000 is being finalised in 2016/17 and GIS system works under spend of \$17,000 will be finalised in 2016/17.
4	Bridges	Gunn Lane, Benalla Bridge project was \$359,000 less than budgeted and enabled excess funding reallocated to Water Reserve Road Bridge \$85,000 and Culvert works on Burness Road \$82,000.
5	Drainage	The Devenish Drainage project has progressed however further negotiations were required for access to land. It will now be undertaken in 2016/17.
6	Recreational, leisure and community facilities	Benalla Children's Adventure Park Redevelopment Project works were under budget due to delays in finalisation of heritage approvals. These works will be completed in 2016/17 \$422,000, Enviropoles works for \$12,000 will be undertaken in 2016/17.
7	Waste management	Rehabilitation works for the Benalla Landfill site budgeted for \$600,000 were not undertaken Council is consulting with the Environmental Protection Agency on future capping requirements before further works are undertaken. Construction costs for Cell One at the Benalla Landfill were \$412,000 over budget, additional unbudgeted grant funds of \$223,875 was received in 2015/16 for the cell liner.
8	Aerodromes	Budgeted works for the Benalla Airport were dependant on receiving government grants which influenced the scoping and preparation of plans for the project. Funding arrangements were confirmed late in June 2016. These works will be undertaken in 2016/17. Some associated preparation items were undertaken in the building section above.
9	Off street car parks	Works budgeted at \$300,000 for Mair Street, Benalla carpark were reliant on town planning approval and outcome of the Aquatic Centre redevelopment plans. This project is suspended until further information on the development of the Aquatic Centre are identified.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

	2016	2015
	\$'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 2015/16 was \$2.423 million (2014/15 \$2.408 million).

General Rates	11,840	11,106
Municipal charge	1,685	1,586
Waste management charge	1,970	2,032
Total rates and charges	15,495	14,724

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 was first applied in the rating year commenced 1 July 2014.

Note 4 Statutory fees and fines

Infringements and costs	43	69
Court recoveries	7	3
Town planning fees	182	140
Land information certificates	17	11
Permits	17	25
Diesel Rebate	36	-
Total statutory fees and fines	302	248

Note 5 User fees

Aged and health services	440	499
Leisure centre and recreation	1,171	1,070
Child care/children's programs	63	45
Parking	-	20
Registration and other permits	239	161
Building services	7	74
Waste management services	1,703	1,390
LSL/Workcover insurances	122	-
Other fees and charges	121	223
Total user fees	3,866	3,482

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	5,228	8,351
State funded grants	2,294	3,449
Total grants received	7,522	11,800
Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission	1,908	5,768
Family day care	451	503
Aged care	604	612
Recurrent - State Government		
Arts Victoria	140	140
Aged care	403	408
School crossing supervisors	40	22
Family Support	312	195
Maternal and child health	148	178
Youth Programs	25	25
Fire Services Levy Support	40	39
Other	28	22
Total recurrent operating grants	4,099	7,912
Non-recurrent - Commonwealth Government		
National Disaster Assistance	-	146
Non-recurrent - State Government		
Advancing Country Towns	-	111
ANZAC Commemorative Partnership Project	-	10
Fire Recovery Event	-	20
Walk to School Program	9	10
Waminda Safe Lighiting Project	-	30
Aged care	128	72
Youth Programs	48	45
Environmental Projects	33	32
Economic Development Programs	1	23
Emergency Resourcing	10	43
Private Works	-	46
Regional Assessment Coordinator Position - DHHS	215	-
Resilient Communities	10	-
Other	18	12
Total non-recurrent operating grants	472	600
Total operating grants	4,571	8,512

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 6 Grants (cont.)		
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,958	685
Recurrent - State Government		
Country Roads and Bridges Initiative	-	1,000
Total recurrent capital grants	1,958	1,685
Non-recurrent - Commonwealth Government		
Buildings	4	637
Roads - National Disaster Relief	30	-
Aerodrome - Benalla Airport	210	-
Other - Infrastructure Bus Shelter	25	-
Non-recurrent - State Government		
Arts Gallery - Acquisitions	7	-
Aerodrome - Benalla Airport	200	-
Recreational, leisure and community facilities	-	72
Parks, open space and streetscapes	218	160
Drainage	-	15
Roads	-	141
Buildings	-	578
Waste Management	299	-
Total non-recurrent capital grants	993	1,603
Total capital grants	2,951	3,288
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	(275)	321
Received during the financial year and remained unspent at balance date	1,112	-
Received in prior years and spent during the financial year	(86)	(596)
Balance at year end	751	(275)
Note 7 Contributions		
Contributions - monetary	91	-
Contributions - non monetary	29	-
Total Contributions	120	-
Note 8 Net gain on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	3	-
Write down value of assets disposed	-	-
Total net gain on disposal of property, infrastructure, plant and equipment	3	-
Note 9 Other income		
Interest	181	227
Contributions	124	284
Total other income	305	511
Note 10 (a) Employee costs		
Wages and salaries	10,125	9,827
WorkCover	269	306
Superannuation	896	895
Fringe benefits tax	91	88
Total employee costs	11,381	11,116

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	153	158
	<u>153</u>	<u>158</u>
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	406	376
Employer contributions - other funds	337	360
	<u>743</u>	<u>736</u>
Employer contributions payable at reporting date.	<u>61</u>	<u>61</u>
Refer to note 35 for further information relating to Council's superannuation obligations.		
Note 11 Materials and services		
Materials and Services	4,068	3,709
Contract payments	2,950	2,144
Vehicle Expenses	1,049	946
Contract Staff	467	515
Consultants general	375	441
Environmental Protection Authority Levy	385	423
Electricity and utilities	451	421
Exhibitions/performance costs	265	215
Insurance	344	338
Membership & Subscriptions	109	309
Repairs & Maintenance	192	222
Advertising and Promotion	140	169
Cleaning Expenses	126	166
Staff Training / Courses	85	161
Telephone	122	145
Management Committees	135	117
Other	568	787
Total materials and services	<u>11,831</u>	<u>11,228</u>
Note 12 Bad and doubtful debts		
Other debtors	-	6
Total bad and doubtful debts	<u>-</u>	<u>6</u>
Note 13 Depreciation		
Property	600	599
Plant and equipment	260	209
Infrastructure	2,937	2,937
Total depreciation	<u>3,797</u>	<u>3,745</u>
Intangible assets	-	-
Total depreciation	<u>3,797</u>	<u>3,745</u>
Refer to note 23 for a more detailed breakdown of depreciation charges		

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 14 Borrowing costs		
Interest - Borrowings	315	319
Total borrowing costs	315	319
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	41	44
Auditors' remuneration - Internal	5	13
Councillors' allowances	188	179
Contributions - Community Support	70	76
Contributions - High Country Library Corporation	377	366
Contributions - State Emergency Service	27	27
Contributions - Benalla Art Gallery Trust	-	25
Write-back of landfill rehabilitation provision	(2,026)	-
Recognition of additional landfill rehabilitation provision	1,184	5,456
Increase in the discounted amount arising because of time and the effect of any change in the discount rate landfill rehabilitation provision	149	46
Refunds contributions and reimbursements/ other	12	-
Total other expenses	27	6,232
Note 16 Investments in associates, joint ventures and subsidiaries		
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- High Country Library Corporation - Share in ownership with three other Councils is 23.12%.	456	507
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	323	295
Reported surplus(deficit) for year	(51)	28
Transfers (to) from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus(deficit) at end of year	272	323
Council's share of reserves		
Council's share of reserves at start of year	184	190
Transfers (to) from reserves	-	(6)
Council's share of reserves at end of year	184	184
Movement in carrying value of specific investment		
Carrying value of investment at start of year	507	485
Share of surplus(deficit) for year	(51)	28
Share of asset revaluation	-	(6)
Distributions received	-	-
Carrying value of investment at end of year	456	507
Council's share of expenditure commitments		
Operating commitments	-	17
Capital commitments	-	-
Council's share of expenditure commitments	-	17
(b) Subsidiaries		
Council does not have any subsidiaries.		
Council does not have any joint ventures.		

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 17 Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	3,538	3,724
Term deposits	924	1,606
	4,464	5,332
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)	637	619
Total restricted funds	637	619
Total unrestricted cash and cash equivalents	3,827	4,713
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	1,442	1,857
- cash held as grant money received but not yet expended	751	(275)
Total funds subject to intended allocations	2,193	1,582
Refer also to Note 19 for details of other financial assets held by Council.		
Note 18 Trade and other receivables		
Current		
Rates debtors	870	803
Other debtors	1,133	1,289
Provision for doubtful debts - other debtors	(13)	(13)
Total current trade and other receivables	1,990	2,079
Total trade and other receivables	1,990	2,079
(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)	829	1,046
Past due by up to 30 days	51	91
Past due between 31 and 180 days	28	20
Past due between 181 and 365 days	47	5
Past due by more than 1 year	178	127
Total trade & other receivables	1,133	1,289
(b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	(13)	(8)
New Provisions recognised during the year	(6)	(5)
Amounts already provided for and written off as uncollectible	6	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	(13)	(13)
(c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$ 13,000 (2015: \$ 13,000) were impaired. The amount of the provision raised against these debtors was \$ 13,000 (2015: \$ 13,000). 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		
Past due by more than 1 year	(13)	(13)
Total trade & other receivables	(13)	(13)

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 19 Other financial assets		
Term deposits	1,474	1,273
Total other financial assets	1,474	1,273
Note 20 Inventories		
Inventories held for distribution	38	25
Total inventories	38	25
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	52	57
Total other assets	52	57

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Land	28,098	-	28,098	27,823	-	27,823
Buildings	39,181	(16,367)	22,814	49,604	(21,391)	28,213
Plant and Equipment	4,812	(3,748)	1,064	4,756	(3,507)	1,249
Artwork	13,273	-	13,273	13,273	-	13,273
Infrastructure	225,992	(80,324)	145,668	223,361	(80,088)	143,273
Work in progress	709	-	709	1,847	-	1,847
Total	312,065	(100,439)	211,626	320,664	(104,986)	215,678

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	219	168	33	-	354
Plant and Equipment and IT	13	131	-	-	144
Infrastructure	1,615	75	1,479	-	211
Total	1,847	374	1,512	-	709

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

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

	Note	Land - specialised	Land - non specialised	Land improvements	Total Land	Heritage buildings	Buildings - specialised	Buildings - non specialised	Building improvements	Total Buildings	Work in Progress	Total Property
Land and Buildings												
At fair value 1 July 2015		27,283	540	-	27,823	-	44,859	4,745	-	49,604	219	77,646
Accumulated depreciation at 1 July 2015		-	-	-	-	-	(18,659)	(2,732)	-	(21,391)	-	(21,391)
		27,283	540	-	27,823	-	26,200	2,013	-	28,213	219	56,255
Movements in fair value												
Acquisition of assets at fair value		-	-	-	-	-	282	-	-	282	168	450
Revaluation increments/(decrements)		617	(342)	-	275	-	(7,175)	(3,530)	-	(10,705)	-	(10,430)
Fair value of assets disposed		-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-	-	-
Transfers		(9,558)	9,558	-	-	-	-	-	-	-	(33)	(33)
		(8,941)	9,216	-	275	-	(6,893)	(3,530)	-	(10,423)	135	(10,013)
Movements in accumulated depreciation												
Depreciation and amortisation		-	-	-	-	-	(548)	(52)	-	(600)	-	(600)
Revaluation increments/decrements		-	-	-	-	-	3,473	2,151	-	5,624	-	5,624
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	2,925	2,099	-	5,024	-	5,024
At fair value 30 June 2016		18,342	9,756	-	28,098	-	37,966	1,215	-	39,181	354	67,633
Accumulated depreciation at 30 June 2016		-	-	-	-	-	(15,734)	(633)	-	(16,367)	-	(16,367)
		18,342	9,756	-	28,098	-	22,232	582	-	22,814	354	51,266

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

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

	Plant machinery and equipment	Fixtures fittings and furniture	Work In Progress	Total plant and equipment
Plant and Equipment				
At fair value 1 July 2015	2,666	2,090	13	4,769
Accumulated depreciation at 1 July 2015	(2,003)	(1,504)	-	(3,507)
	663	586	13	1,262
Movements in fair value				
Acquisition of assets at fair value	3	101	131	235
Revaluation increments/decrements	-	-	-	-
Fair value of assets disposed	(48)	-	-	(48)
Impairment losses recognised in operating result	-	-	-	-
Transfers	-	-	-	-
	(45)	101	131	187
Movements in accumulated depreciation				
Revaluation increments/decrements	-	-	-	-
Depreciation and amortisation	(121)	(139)	-	(260)
Accumulated depreciation of disposals	19	-	-	19
Impairment losses recognised in operating result	-	-	-	-
Transfers	-	-	-	-
	(102)	(139)	-	(241)
At fair value 30 June 2016	2,621	2,191	144	4,956
Accumulated depreciation at 30 June 2016	(2,105)	(1,643)	-	(3,748)
	516	548	144	1,208

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

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

Infrastructure	Note
At fair value 1 July 2015	
Accumulated depreciation at 1 July 2015	
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	
Movements in accumulated depreciation	
Depreciation and amortisation	
Revaluation increments/decrements	
Impairment losses recognised in operating result	
Transfers	
At fair value 30 June 2016	
Accumulated depreciation at 30 June 2016	

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

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

Artworks	Note	Artworks
At fair value 1 July 2015		13,273
Accumulated depreciation at 1 July 2015		-
		<u>13,273</u>
Movements in fair value		
Acquisition of assets at fair value/ gifts		-
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 2016		13,273
Accumulated depreciation at 30 June 2016		-
		<u>13,273</u>

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

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

Valuation of land and buildings

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Land	-	9,756	-
Specialised Land	-	-	18,342
Buildings	-	582	-
Specialised Buildings	-	-	22,232
Total	-	10,338	40,574

Valuation of artworks

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 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 2016

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

Valuation of infrastructure

Valuation of infrastructure assets has been determined Mr Ashley Bishop, Council's Asset Management Coordinator as at 30 June 2016.

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 2016 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	112,815
Bridges	-	-	14,193
Footpaths and Cycleways	-	-	4,581
Drainage	-	-	11,470
Recreational, leisure and community facilities	-	-	-
Waste Management	-	-	2,609
Total	-	-	145,668

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 25% and 75% for specialised land and between 85% and 95% for land under roads. 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 costs is calculated on a square metre basis and ranges from \$200 to \$2,400 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2016 \$'000	2015 \$'000
Reconciliation of specialised land		
Land under roads	-	-
Parks and Reserves	18,342	27,283
Total specialised land	18,342	27,283

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

		2016 \$'000	2015 \$'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	1,539	1,391
	Accrued expenses	953	666
	Total trade and other payables	2,492	2,057
Note 27	Trust funds and deposits		
	Refundable deposits	222	169
	Other refundable deposits	415	450
	Total trust funds and deposits	637	619
	<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 \$49,778 (\$38,000 2014/15) for Fire Services Levy.		

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 28 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2016			
Balance at beginning of the financial year	2,725	7,522	10,247
Additional provisions	788	1,184	1,972
Write-back of provision	-	(2,026)	(2,026)
Amounts used	(782)	-	(782)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	104	149	253
Balance at the end of the financial year	2,835	6,829	9,664
2015			
Balance at beginning of the financial year	2,527	2,020	4,547
Additional provisions	985	5,456	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	26	46	72
Balance at the end of the financial year	2,725	7,522	10,247
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		861	760
Long service leave		176	134
		1,037	894
Current provisions expected to be wholly settled after 12 months			
Annual leave		-	-
Long service leave		1,501	1,537
		1,501	1,537
Total current employee provisions		2,538	2,431
Non-current			
Long service leave		297	294
Total non-current employee provisions		297	294
Aggregate carrying amount of employee provisions:			
Current		1,037	894
Non-current		297	294
Total aggregate carrying amount of employee provisions		1,334	1,188

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

		2016 \$'000	2015 \$'000
Note 28	Provisions (cont'd)		
	(b) Land fill restoration		
	Current	-	603
	Non-current	6,829	6,919
		6,829	7,522
	<p>The Landfill Rehabilitation Provision overall decreased at 30 June 2016 by \$0.693 million. A new cell was capitalised in 2016, this was offset by a decrease in site area that had previously been assessed as requiring works 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.</p>		
Note 29	Interest-bearing loans and borrowings		
	Current		
	Borrowings - secured	1,028	1,197
		1,028	1,197
	Non-current		
	Borrowings - secured	5,263	5,753
	Total	6,291	6,950
	(a) The maturity profile for Council's borrowings is:		
	Not later than one year	1,028	1,197
	Later than one year and not later than five years	3,296	3,567
	Later than five years	1,967	2,186
		6,291	6,950
	Borrowings are secured by a lien on Council rate revenue.		

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 30 Reserves (cont.)

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation of by an associate	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000	\$'000
2016				
Property				
Land	19,963	275	-	20,238
Buildings	10,791	(5,081)	-	5,710
	30,754	(4,806)	-	25,948
Infrastructure				
Roads	42,139	1,076	-	43,215
Bridges	1,575	(606)	-	969
Footpaths and cycleways	250	63	-	313
Drainage	449	-	-	449
Recreational, leisure and community facilities	-	-	-	-
Waste management	-	-	-	-
Parks, open space and streetscapes	-	-	-	-
Other infrastructure	-	-	-	-
Artworks	4,349	-	-	4,349
	48,762	533	-	49,295
Total asset revaluation reserves	79,516	(4,273)	-	75,243
2015				
Property				
Land	19,963	-	-	19,963
Buildings	10,791	-	-	10,791
	30,754	-	-	30,754
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
	46,734	2,028	-	48,762
Total asset revaluation reserves	77,488	2,028	-	79,516

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

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 30 Reserves (cont.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2016				
Resort and Recreation	34	-	-	34
Winton Land	10	-	-	10
Benalla Urban Growth Headworks Charge	78	-	-	78
Lake Mokoan Inlet Channel	140	70	-	210
Total Other reserves	262	70	-	332
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

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 2016

	2016 \$'000	2015 \$'000
Note 31 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	211	(1,853)
Depreciation/amortisation	3,797	3,745
Profit/(loss) on disposal of property, infrastructure, plant and equipment	3	-
Share of (loss)/profit in associate	(51)	28
Contributions – non monetary	29	-
Other non cash items	(394)	859
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	89	(158)
(Increase)/decrease in prepayments	5	(26)
Increase/(decrease) in trade and other payables	435	(302)
Increase/(decrease) in employee provisions	110	198
(Increase)/decrease in inventories	(13)	8
Increase/(decrease) in landfill rehabilitation provision	(693)	5,502
Net cash provided by operating activities	<u>3,528</u>	<u>8,001</u>
Note 32 Financing arrangements		
Bank overdraft	-	-
Credit card facilities	100	100
Fixed rate loan facilities	6,291	6,950
Total facilities	<u>6,391</u>	<u>7,050</u>
Used facilities	6,312	6,974
Unused facilities	<u>79</u>	<u>76</u>
Council is not currently utilising any bank overdraft facilities.		

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 33 Commitments

The Council has entered into the following commitments

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

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

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 34 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):

	2016 \$'000	2015 \$'000
Not later than one year	259	319
Later than one year and not later than five years	235	271
Later than five years	-	-
	494	590

(b) Operating lease receivables

Council does not have any operating lease receivables.

Note 35 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding arrangements

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

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

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

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 35

Superannuation (cont'd)

Vision Super has advised that the estimated VBI at 30 June 2016 was 102%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

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

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$130.8 million; and

A total service liability surplus of \$239 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 2015. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2015 VBI during August 2015.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 35 Superannuation (cont'd)

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$158,600.

Note 36 Contingent liabilities and contingent assets

Council has a contingent liability for landfill remediation. It is unlikely that any rehabilitation works will be undertaken until the Council receives further expert advice from the EPA regarding the review of rehabilitation requirements for specific areas of landfill. Once this advice is received Council will be in a better position to program the rehabilitation works.

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 35. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Guarantees

Council operates a landfill at 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 to report.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 37 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*

Council manages interest rate risk by adopting an Investment policy that ensures:

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

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

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

(c) Credit risk

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

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

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

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 36.

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 37 Financial instruments (cont'd)

(e) Fair value

Unless otherwise stated, the carrying amounts 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 1.35%.

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 2016

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)
	Councillor Barbara Alexander
	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:

	2016 No.	2015 No.
\$10,000 - \$19,999	-	5
\$20,000 - \$29,999	6	-
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	-	1
\$60,000 - \$69,999	1	-
\$220,000 - \$229,999	1	1
	8	8
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	407	400

(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 \$139,000

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

Income Range:	2016 No.	2015 No.
\$120,000 - \$129,999	1	2
\$130,000 - \$139,999	1	-
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	1	1
	4	4
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above amounted to:	574	566

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2016

Note 38 Related party transactions (cont'd)

(iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was \$0 (2015 - \$0).

(v) Loans to responsible persons

There were no 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.

(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 \$1,394 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 2016

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



Cathy Fitzpatrick CPA
Principal Accounting Officer

Date : 21-Sep-16

Benalla

In our opinion the accompanying financial statements present fairly the financial transactions of Benalla Rural City Council for the year ended 30 June 2016 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 : 21-Sep-16

Benalla



Barbara Alexander
Councillor

Date : 21-Sep-16

Benalla



Tony McIlroy
Chief Executive Officer

Date : 21-Sep-16

Benalla

AUDITOR-GENERAL'S REPORT

for the year ended 30 June 2016

VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Benalla Rural City Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 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.

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 2016

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, I and my staff and delegates complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

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 2016 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
23 September 2016


Andrew Greaves
Auditor-General

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BENALLA RURAL CITY COUNCIL

ANNUAL REPORT 15-16

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