



**ANNUAL  
REPORT**  
2021/22



## **OUR VISION**

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

### **Acknowledgement of Country**

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

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# INTRODUCTION



# CHIEF EXECUTIVE OFFICER OVERVIEW



This year I would like to reflect on the Benalla Rural City logo and the significance of it against the backdrop of where we are as an organisation and as a community.

When the logo was designed it was aspirational, a symbolic representation of the lifestyle, attractions and progressiveness of the Rural City. The colours reflect the themes of Council's vision and mission statements of vibrancy (burgundy), security (navy) and maturity of governance (gold).

The navy background and white swish represent our lakes, rivers and waterways and all recreation. The gold swish represents the sun rising over a golden rural landscape conveying a sense of warmth, optimism and reinforcing our peaceful rural location and lifestyle. The burgundy triangle conveys vibrancy and is a symbolic representation of the Art Gallery, the Botanical Gardens, its surrounds and our environment. A feeling of Benalla Rural City on the move.

With the word "Benalla" positioned slightly on the rise of the triangle, the logo conveys a sense of Benalla on the up, with a positive future. Locating "Rural City" separately at the base of the logo makes a strong statement that Benalla is a city with the qualities a rural location brings.

As a whole, the logo conveys a sense of confidence, progressiveness, positive future and a serene rural lifestyle. The logo captures and conveys all that is good about visiting, living and working in a rural city.

Our community is growing, people are choosing to relocate to our municipality. Now more than ever the symbolism enshrined in our logo has meaning. There is a genuine feeling that Benalla Rural City is on the move. All of this during a period in our history that has seen almost two years of disruption to our daily lives.

As a Council we will continue to plan for a growing and evolving community whilst acknowledging the task of addressing dated infrastructure. We will continue to engage with the community on how we can be progressive and consider how our collective actions position us for a positive future.

At the end of 2021/22, Council's financial report records an operating surplus of \$7.382 million for the year and an end of year cash balance of \$17.782 million, after completing \$6.525 million of capital project works during the year.

Some of the major capital projects for 2021/22 were:

- upgrade of the Denny Street carpark and constructed new carpark in Church Street and the Benalla Showground
- Fawckner Drive upgrade
- new cell at the Benalla Landfill
- installed lights along the Benalla Lake Walk
- stage 2 of the Aboriginal Gardens.

I would like to thank both the State and Federal governments for their continued financial support of this community.

Finally, I would like to thank the wonderful and dedicated staff who continue to work tirelessly for the community, the elected members for their dedication, passion and guidance, the community for continuing to engage with the Council on the many issues that impact your daily life and the many volunteers that assist the Council and the community.

**Dom Testoni**  
**Chief Executive Officer**

# THE YEAR AT A GLANCE

## JULY



### NAIDOC Week

Benalla celebrates NAIDOC week with a Welcome to Country and smoking ceremony performed at the Town Hall, flag raising, children's activities, displays and lunch at Benalla Town Hall.



### Age Well in Benalla Info Hub begins at Library

The Age Well in Benalla Info Hub begins at the Benalla Library, offering a friendly referral service for older people to access information to make their lives easier.

### Benalla Aquatic Centre Refurbishment

Refurbishment works at the Benalla Aquatic Centre completed. These works include repairs to the water supply, 25m, toddler and outdoor pools. The works also include an inspiring mural designed by local artist Kristy Sutherland.

## AUGUST

### Library reconfiguration

Thanks to a generous donation of \$7,000 from the Friends of Benalla Library the Sir Edward 'Weary' Dunlop Learning Centre undergoes a major internal facelift. Over 24,000 books are relocated, and staff constructed a massive 630 shelves as well as rearranging furniture and shelving bays to help make the space flow better and more user friendly.



### Monash Bridge lighting installation

This spectacular addition to the Benalla streetscape sees 29 lights replaced on the sides and undercarriage of the Monash Bridge.

### Bridges out of Poverty

Bridges out of Poverty training offered to Council staff and a number of local organisations with over 70 attending the first session in August, the second session was held online due to COVID-19 restrictions and had fewer attendees.

## SEPTEMBER



### Dining Pods installed around Lake Benalla

New street furniture installed for residents and visitors to use in key locations including Thomas Street and Lake Benalla foreshore. Funding for this project was thanks to the Victorian Government's Outdoor Activation Fund.

### Detox program launched

First 'Detox Your Home' event held at the Benalla Landfill and Resource Recovery Centre.

Detox your Home is a free program providing a safe way for our residents to dispose of unwanted household chemicals from their home, shed or garage.

## OCTOBER

### Children's Week 2021 activities packs delivered

Children's Week 2021 saw Family Services partnering with Waminda Community House to distribute 120 activity packs. Feedback from reception staff at Benalla Community Care noted that the packs were extremely successful, and parents and children had been grateful to receive them. A small number of packs were also held and distributed through safe drops to families that have been required to isolate due to impacts of the COVID-19 pandemic.

### Teen Mental Health First Aid

Teen Mental Health First Aid training was held for two Year 11 classes at Benalla P-12 (55 students in total) as part of the Live4Life program. This group of Year 11 students were the first group from Benalla P-12 to complete the full cycle of the Live4Life program e.g., completed the training in Year 8 with activities, were provided a chance to be part of the crew in Year 9 and Year 10 and completed the training again in Year 11. The Year 11 (senior) training differs from the Year 8 (junior) training as the discussion of a friend in crisis is talked about in much more depth in the senior training.

## NOVEMBER

### Cr Bernie Hearn elected Mayor and Cr Don Firth Deputy Mayor

### Council Plan 2021-2025 and Community Vision 2036 adopted

## DECEMBER



### FReeZA North East Skate Park Series event held

FReeZA North East Skate Park Series event held with 24 young people getting the chance to scoot, skate or BMX their way to a prize. This event delivered in partnership with the YMCA and held in other council areas in the North East. Competitors can compete in as many competitions as they wish and their scores are tallied for a grand final event.

### The Hive (Have Your Say Benalla) launched

Council's ability to engage with the community improved with the introduction of the online 'Have Your Say Benalla' portal.



### Live4Life BBQ and Colour Run

Year 8 Benalla P-12 Live4Life BBQ and Colour Run event held in December. Due to restrictions the normal celebration event at the end of the year was not able to be completed. The Benalla P-12 crew came up with an alternative plan and organised a BBQ (cooked by Rotary) and colour run for the Year 8 students on campus. Year 8 students reported they had a great time with the crew doing an amazing job organising and running the events on the day.

## JANUARY

### Storm event damage

The storm event in January 2022 causes significant damage to both sealed and unsealed roads, drainage and other infrastructure mainly throughout the north and north eastern areas of the municipality. Significant effort undertaken in assessing the damage and undertaking 'emergency works' on particular areas of concern to ensure the general safety of the community was maintained and the functionality of the road network was not significantly compromised. Further work to repair all the damage resulting from the storm event will continue throughout the 2022/2023 financial year. At this stage it is estimated that work could cost over \$15 million.

## FEBRUARY

### Outdoor Activation Fund projects commence

Council secures funding of \$300,000 through the Department of Jobs Precincts and Regions' COVID Safe Outdoor Activation Fund. Through this funding, Council installed new lighting in the Bridge Street pergolas and laneway, new seating to the pergolas, and picnic new seating for a number of rural townships. The funding also allowed Council to install new tourism signage for the Silo Art Trail.



### 2021-2025 Domestic Animal Management Plan adopted

2021-2025 Domestic Animal Management Plan adopted after a successful community engagement campaign led by compliance staff. Face-to-face engagement proved most successful with direct interaction with the community through "pop up" stalls in Bridge St East and the Farmers Market resulting in the highest number of community submissions received by Council.

## MARCH



### Denny Street, Benalla carpark asphalting program

The eastern side of the Denny Street Carpark given a face-lift, with \$220,000 invested in works including pavement reconstruction, pavement resurfacing, tree protection barriers and refreshed line-marking.

### New L2P car



On Monday 7 March, the new L2P car launched. This car is available thanks to generous support of Benalla Toyota, Winton Motor Raceway, Benalla Auto Club and BRCC.

## APRIL

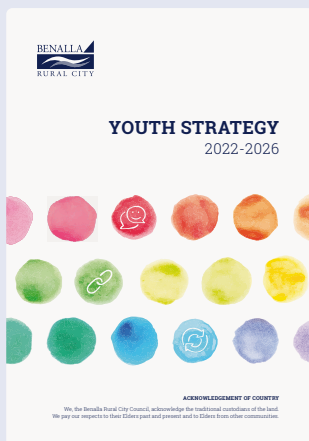
### Gallery Launches New Projection Space For Photo 2022 Festival

Benalla Art Gallery activates a new after-dark projection space, providing an outdoor venue to support community arts events in the Benalla Botanical Gardens.



### Fawckner Drive works

Works undertaken in Fawckner Drive Benalla, include the reconstruction of the pavement between Carrier and Nunn Streets, improved and new drainage infrastructure, kerb and channel renewal and a new footpath connecting our community members to a safer formal pedestrian crossing point. Total cost of the works is \$350,000.



### Youth Strategy 2022-2026 adopted

## MAY

### Benalla Art Gallery redevelopment

Award-winning heritage architects, Williams Boag Architects awarded tender for the Benalla Art Gallery redevelopment project.

### Rural Councils Transformation Program

Rural Councils Transformation Program awards \$1 million to Mansfield Shire Council, Benalla Rural City Council, Murrindindi Shire Council and Strathbogie Shire Council for new technology.

## JUNE

### Aged and Disability Services withdrawal

Council farewells the Aged and Disability Services team who supported community members with services that enabled them to remain living independently in their homes for more than 35 years.



# FINANCIAL SUMMARY

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

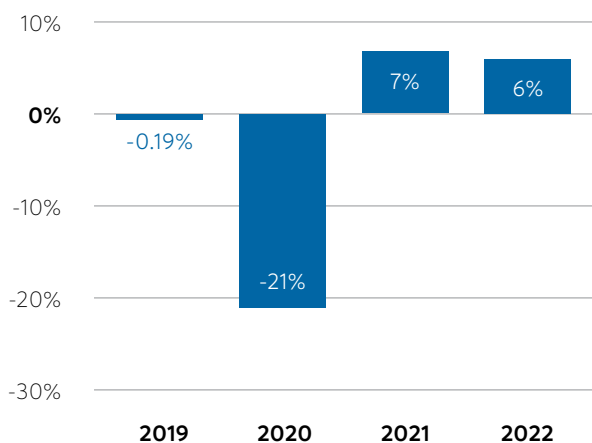
A summary of our performance is outlined below. Detailed information relating to the Council's financial performance is included within the financial statements and performance statement sections of this report.

## Operating position

Council achieved a surplus of \$4.851 million in 2021/22 against a budgeted surplus of \$1.953 million. As per the Comprehensive Income Statement in the Financial Report, the favourable variance is mainly due to the receipt of unbudgeted operating grant income (\$5.664 million more than budgeted). This is offset by less than budgeted capital grant income (\$3.604 million less than budget) due to delays in the delivery of projects in the 2021/22 Capital Projects Program.

Contributions were \$435,000 more than budgeted and Rates and Charges \$423,000 more than budgeted.

## Adjusted Underlying Result

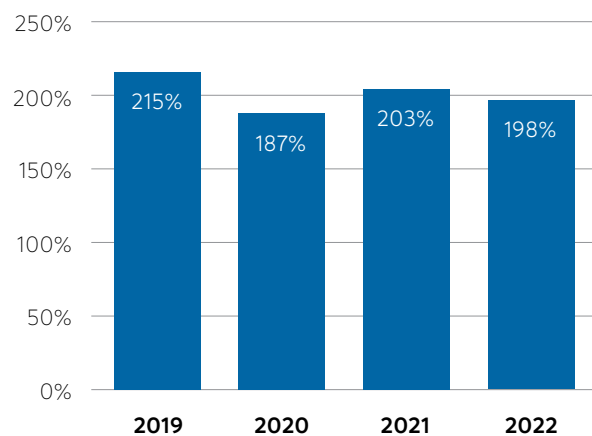


## Liquidity

Cash has increased by \$5.370 million from the prior year mainly due to unbudgeted operating grant income and additional unbudgeted income.

The working capital ratio, which assesses the Council's ability to meet current commitments, is calculated by measuring the Council's current assets as a percentage of current liabilities. The Council's result of 198 per cent is an indicator of satisfactory financial position and within the target band.

## Working Capital Ratio



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

	2018/19 '000	2019/20 '000	2020/21 '000	2021/22 '000
Total Revenue	\$32,933	\$35,517	\$36,589	<b>\$39,300</b>
Total Expenses	\$31,396	\$39,414	\$31,120	<b>\$34,449</b>
Surplus (Deficit)	\$1,537	(\$3,897)	\$5,469	<b>\$4,851</b>
Working Capital	215%	187%	203%	<b>198%</b>
Total Assets	\$274,118	\$270,394	\$289,957	<b>\$330,503</b>
Net Assets	\$255,012	\$249,551	\$264,724	<b>\$298,968</b>
Rates and Charges	\$17,702	\$18,487	\$19,027	<b>\$19,978</b>
Adjusted underlying result	-0.19%	-21%	7%	<b>6%</b>
Asset Renewal and Upgrade	NA	51%	40%	<b>47%</b>
Indebtedness	54%	52%	50%	<b>59%</b>
Capital Projects	\$4,502	\$5,119	\$5,967	<b>\$6,525</b>

## Major Capital Works

During 2021/21 \$6.525 million of capital works were undertaken, with \$3.716 million of new asset expenditure, \$1.720 million of asset renewal and \$1.088 million of asset upgrade expenditure.

Key expenditure areas were:

	2021/22
Roads	<b>\$2.655 million</b>
Waste management	<b>\$2.054 million</b>
Plant and equipment	<b>\$601,000</b>
Off-street carpark	<b>\$352,000</b>
Parks, open space and streetscapes	<b>\$331,000</b>

## Economic Factors

The COVID-19 pandemic continued to impact the local economy and the Council's operations. While user fees decreased with temporary closures of facilities such as the Benalla Aquatic Centre and the Benalla Performing Arts and Convention Centre, the decrease in revenue was offset by the receipt of additional grant funding from the Victorian and Australian governments.

The Council's COVID-19 Financial Hardship Policy continued to be implemented throughout the year with no penalty interest charged.

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

Increasing inflation increased costs across the organisation, particularly asset repairs and maintenance and capital works projects.

## Major Changes

Following an organisational review, a new department, Economic Development and Sustainability was created with a new manager appointed. The department incorporates the Benalla Art Gallery, communications, economic development, events, sustainability and tourism functions.

## Significant Events

A storm event in January 2022 caused significant damage to civil infrastructure resulting in significant impairment of Council assets. Emergency repair works totalled \$1.66 million with future repair works estimated to cost \$15 million across the 2022/23 and 23/24 financial years. Council is eligible for disaster recovery assistance.

On 30 June 2022, after more than 35 years of service provision, the Council transitioned out of providing aged and disability care services. Staff entitlements, including applicable redundancy payments, totalled some \$1 million.

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



# ABOUT US



# OUR MUNICIPALITY

## POPULATION

14,131

## AREA

235,264 ha

## DISTANCE TO MELB

193 km

## RATEABLE PROPERTIES

8,165

## COUNCIL EMPLOYEES

125.6 EFT

## COUNCILLORS

7

## TOWNSHIPS

BENALLA  
BADDAGINNIE  
DEVENISH  
GOORAMBAT  
SWANPOOL  
THOONA  
TATONG  
WINTON

Benalla Rural City is 193km north-east of Melbourne and is centred in the Broken River valley. The current estimated resident population of Benalla Rural City is 14,528 (Census 2021), with approximately 9,000 residents in the Benalla urban area and the remainder living in and around our smaller towns.

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

The communities south of the Freeway are Archerton, Boho South, Glenrowan West, Lima, Lima South, Lurg, Molyullah, Moorngag, Samaria, Swanpool, Tatong, Upper Lurg, Upper Ryan's Creek, Warrenbayne and Winton. Communities to the north are Baddaginnie, Boweya, Boxwood, Broken Creek, Bungeet, Chesney Vale, Devenish, Goomalibee, Goorambat, Stewarton, Taminick, Tarnook and Thoona.

Our largest employing industries are health, manufacturing and agriculture. The main employers include Benalla Health, Royal Freemasons Benalla Care Home, Estia Health and Cooida Aged Care.

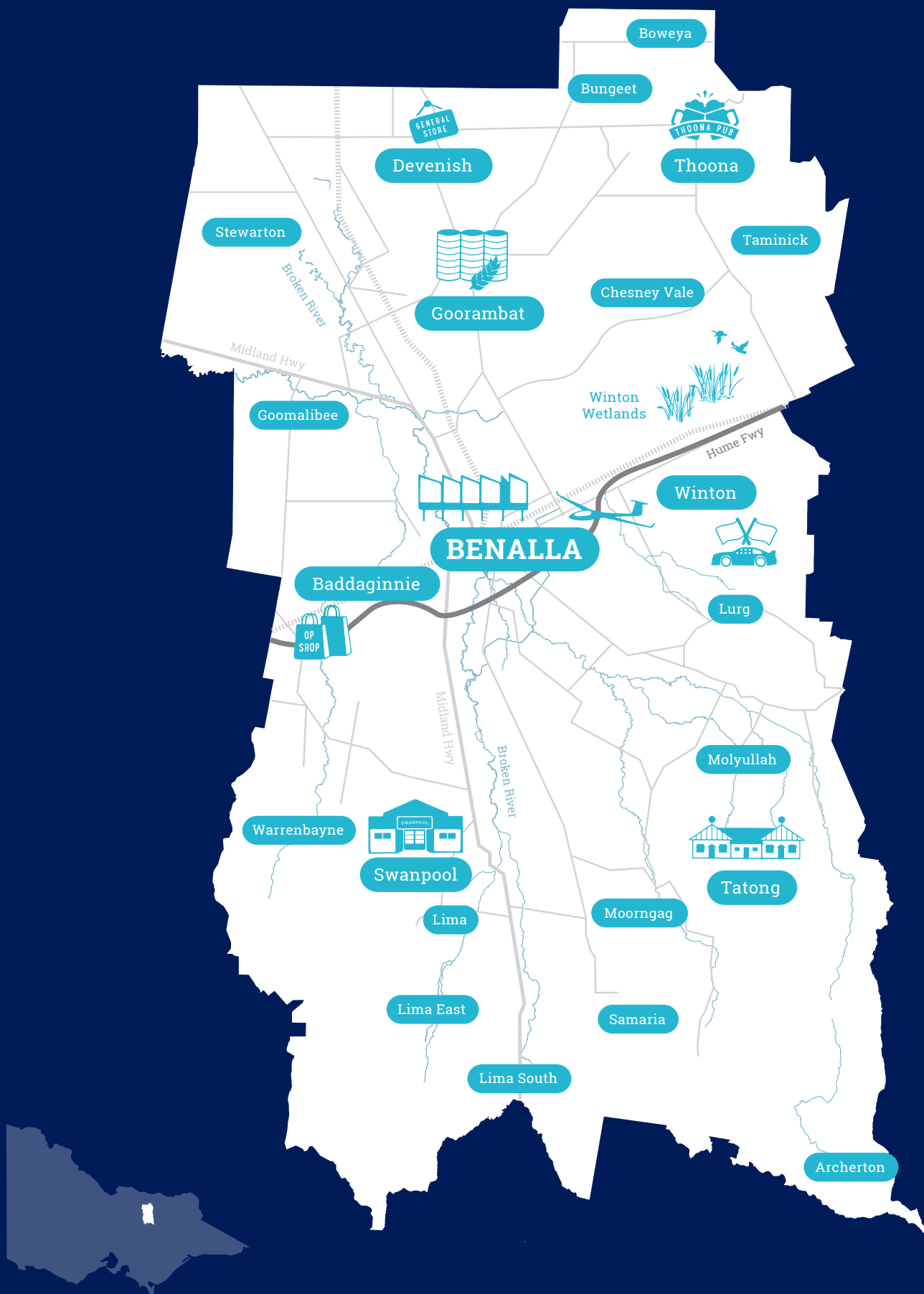
The manufacturing sector includes Thales Australia, D & R Henderson Pty Ltd, Schneider Electric (Australia) Pty Ltd and LS Precast.

Our rural areas are recognised for their good soils and access to irrigation. The major agricultural industries include wool and meat production and broadacre cropping. Agricultural diversification has seen a rise in viticulture and other more intensive forms of horticulture and forestry.

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

Benalla Rural City offers a choice of primary and secondary schools, a TAFE college, comprehensive health services and participation opportunities including sport, music, wine and art. Benalla Rural City has well developed disability, aged and child care services.

Some of the main visitor attractions include Winton Motor Raceway, Benalla Art Gallery, Winton Wetlands, the Silo Art Trail and more than 60 street art murals in and around Benalla.



# OUR COUNCIL



Benalla Rural City Council  
PO Box 227, Benalla VIC 3671

## Customer Service Centre

1 Bridge Street East, Benalla

**Phone:** 03 5760 2600

**Email:** [council@benalla.vic.gov.au](mailto:council@benalla.vic.gov.au)

**[www.benalla.vic.gov.au](http://www.benalla.vic.gov.au)**

## Vision

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

## Purpose

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

## Values

### We will:

- Construct plans and govern the community of Benalla Rural City with unwavering **ACCOUNTABILITY**
- Strive for **CONTINUOUS IMPROVEMENT**
- Make judgments based on sound research and participate in decision making that meets the needs of the whole community in solid **EQUITY**
- Act with transparency, truthfulness and **INTEGRITY**
- Provide clear, innovative and strong **LEADERSHIP**
- Serve our community, environment and council with **RESPECT**



# OUR COUNCILLORS



MAYOR

**Cr Bernie Hearn**

First elected: Oct 2016

Re-elected: Oct 2020

DEPUTY  
MAYOR

**Cr Don Firth**

First elected: Nov 2008

Re-elected: Oct 2016, Oct 2020



**Cr Peter Davis**

First elected: Nov 2005

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



**Cr Danny Claridge**

First elected: Oct 2016

Re-elected: Oct 2020



**Cr Punarji Hewa  
Gunaratne**

First elected: Oct 2020



**Cr Justin King**

First elected: Oct 2012

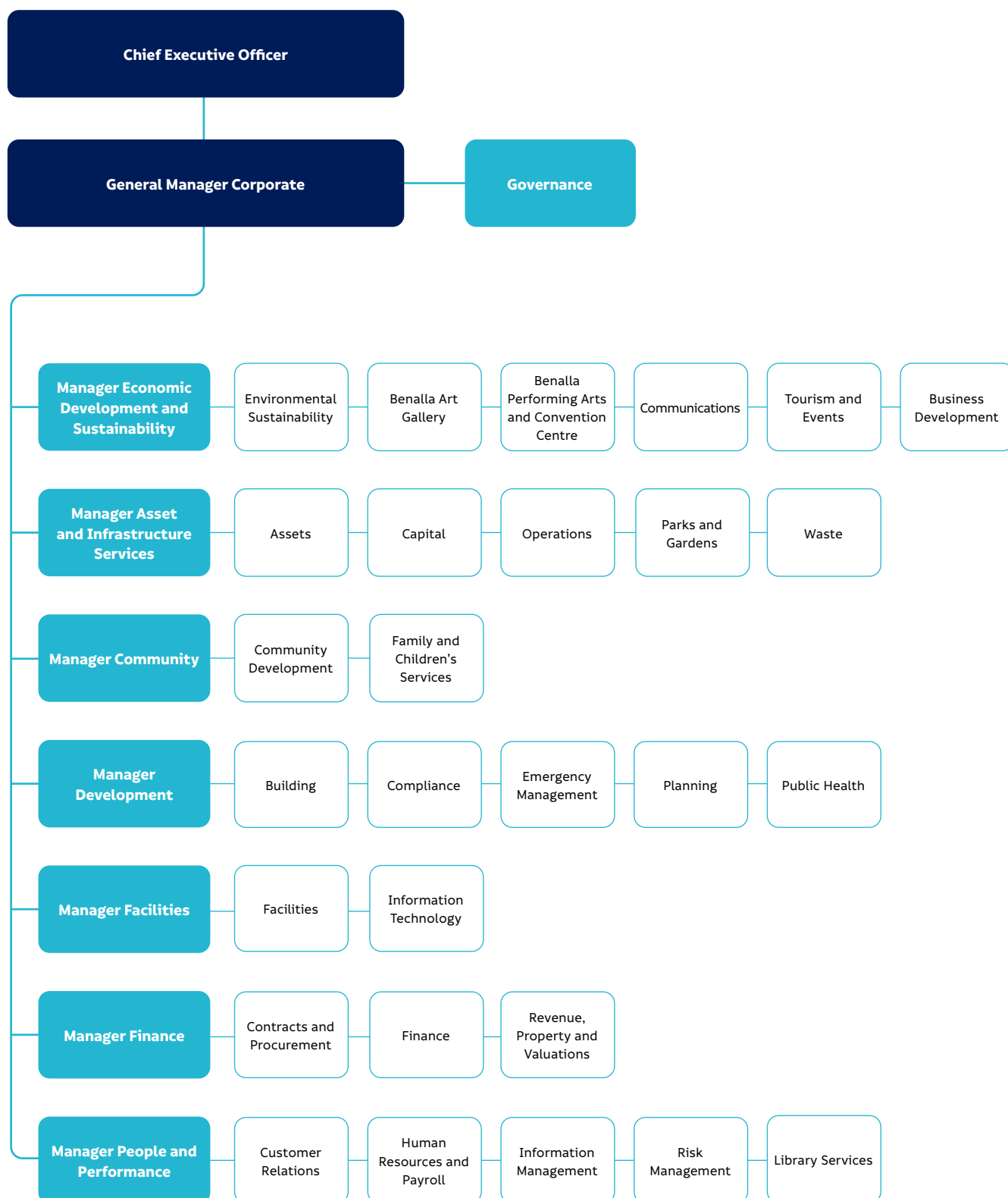
Re-elected: Oct 2020



**Cr Gail O'Brien**

First elected: Oct 2020

# OUR ORGANISATION



# OUR WORKFORCE

## Employees

Type by gender	Number	EFT
Full-time – female	30	30
Full-time – male	48	48
Full-time – self-described gender	0	0
Part-time – female	63	33.4
Part-time – male	6	1.9
Part-time – self-described gender	0	0
Casual	15	3
<b>Total</b>	<b>162</b>	<b>116.30</b>

Type by band	Female EFT	Male EFT	Self-described gender EFT	Total EFT
Band 1	3.2	.5	–	3.7
Band 2	0	0	–	0
Band 3	7.5	12	–	19.5
Band 4	18.1	13	–	31.1
Band 5	6.5	3	–	9.5
Band 6	12.5	3.4	–	15.9
Band 7	9.6	7	–	16.6
Band 8	1	5	–	6
Band not applicable	5	6	–	11
Casual	2.3	0.7	–	3
<b>Total EFT</b>	<b>65.7</b>	<b>50.6</b>	<b>–</b>	<b>116.30</b>





## Victorian Charter of Human Rights and Responsibilities

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

## Health and Safety

Benalla Rural City Council has continued to actively work with its employees, contractors and volunteers in order to maintain and improve positive safety performance and minimise potentially adverse consequences.

Council continues to focus on incorporating safety considerations into all aspects of service delivery and operational activities, via a positive safety culture. The ongoing maintenance of effective consultative processes such as Council's OHS committee structures continue to assist with fostering a positive and action orientated organisational safety culture. Other aspects of Council's Occupational Health and Safety (OHS) systems such as policies, procedures and processes are continually reviewed and improved. The outcomes of audit and review processes continue to guide and inform potential opportunities for further improvements to Council's safety management system elements.

Workplace incidents continue to be actively reported and investigated in order to facilitate the implementation of effective countermeasures and corrective actions. In 2021/2022 there were 57 reported incidents.

## Learning and Development

Council is committed to supporting staff in furthering their careers and learning opportunities. Staff engage in a wide range of learning and development programs each year that support a variety of staff professional, compliance and development needs.

The program is developed in response to needs identified through the annual Staff Performance and Development Reviews.

Whilst some learning events are provided face to face, other learning opportunities are available through our comprehensive online learning platform, e-learning, which incorporates a thorough induction program along with hundreds of online courses.

The Staff Code of Conduct and Respectful Workplace Behaviour – Sexual Harassment, Discrimination, Harassment and Bullying Policy has recently been reviewed and distributed to all staff over a three-day organisation-wide training program.

## Employee Assistance Program

Benalla Rural City Council provides an Employee Assistance Program (EAP) for Councillors, employees and family members and volunteers. The EAP aims to ensure that all employees who experience hardship are able to discuss in confidence matters either work related or personal that may be impacting on their lives

## Family Violence

Council supports employees to create a non-violent and respectful workplace as part of our contribution to creating a safer community. Council is also committed to supporting family violence prevention initiatives relating and incorporating behaviors that reinforce respect and equality. Family violence is a serious issue in our society. The Council is committed to playing a supportive role to staff subjected to family violence and in any other personal emergency. Clause 45 of the Enterprise Agreement 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 supports a range of initiatives to prevent violence including the MAV Prevention of Family Violence Campaign, the Hume Region Courageous Conversations Charter and White Ribbon Day.

## Equal Employment Opportunity

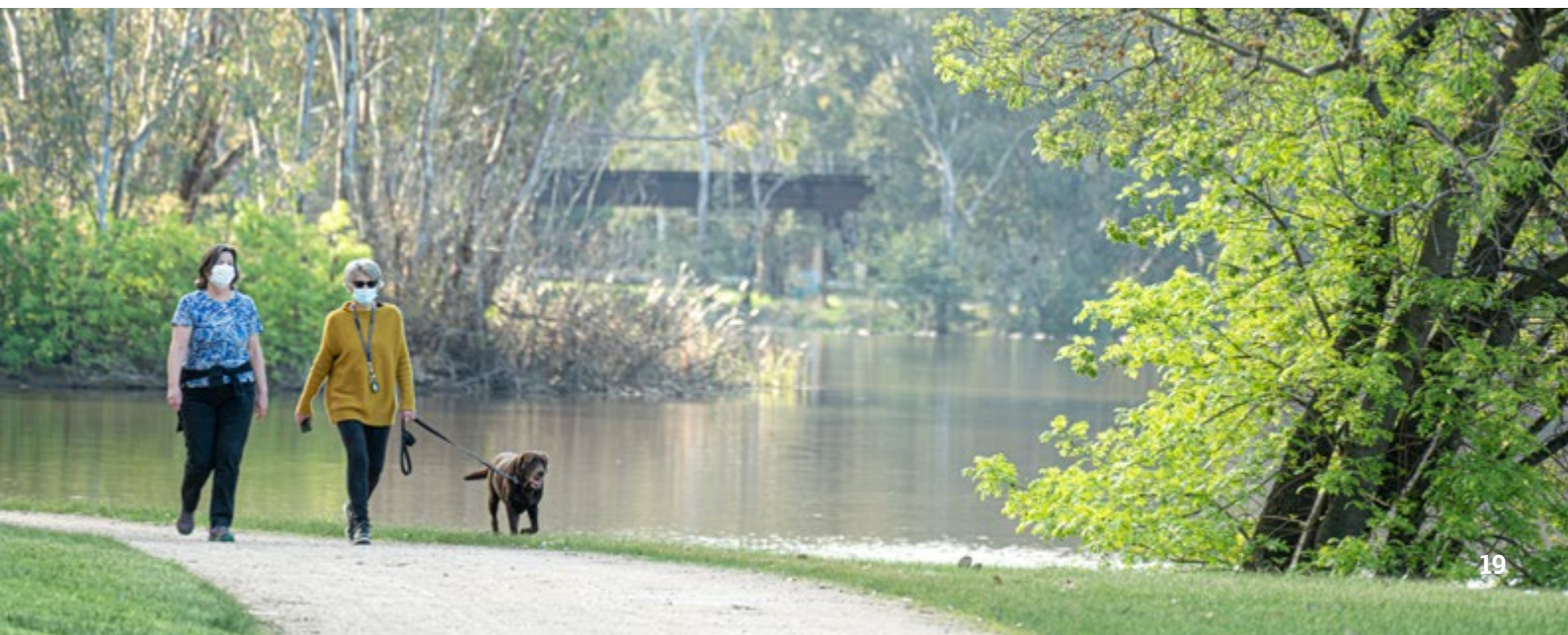
Benalla Rural City Council is an equal opportunity employer committed to providing a safe working environment that embraces and values child safety, diversity and inclusion.

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

## Code of Conduct

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

The Staff Code of Conduct provides a set of guidelines that connect staff decision-making, behaviour and actions to the vision, mission and values of the organisation. It is designed to guide staff on the standards expected of them as they carry out their work. Those standards include honesty and integrity, and a commitment to treating all people with courtesy and respect.



# OUR PERFORMANCE

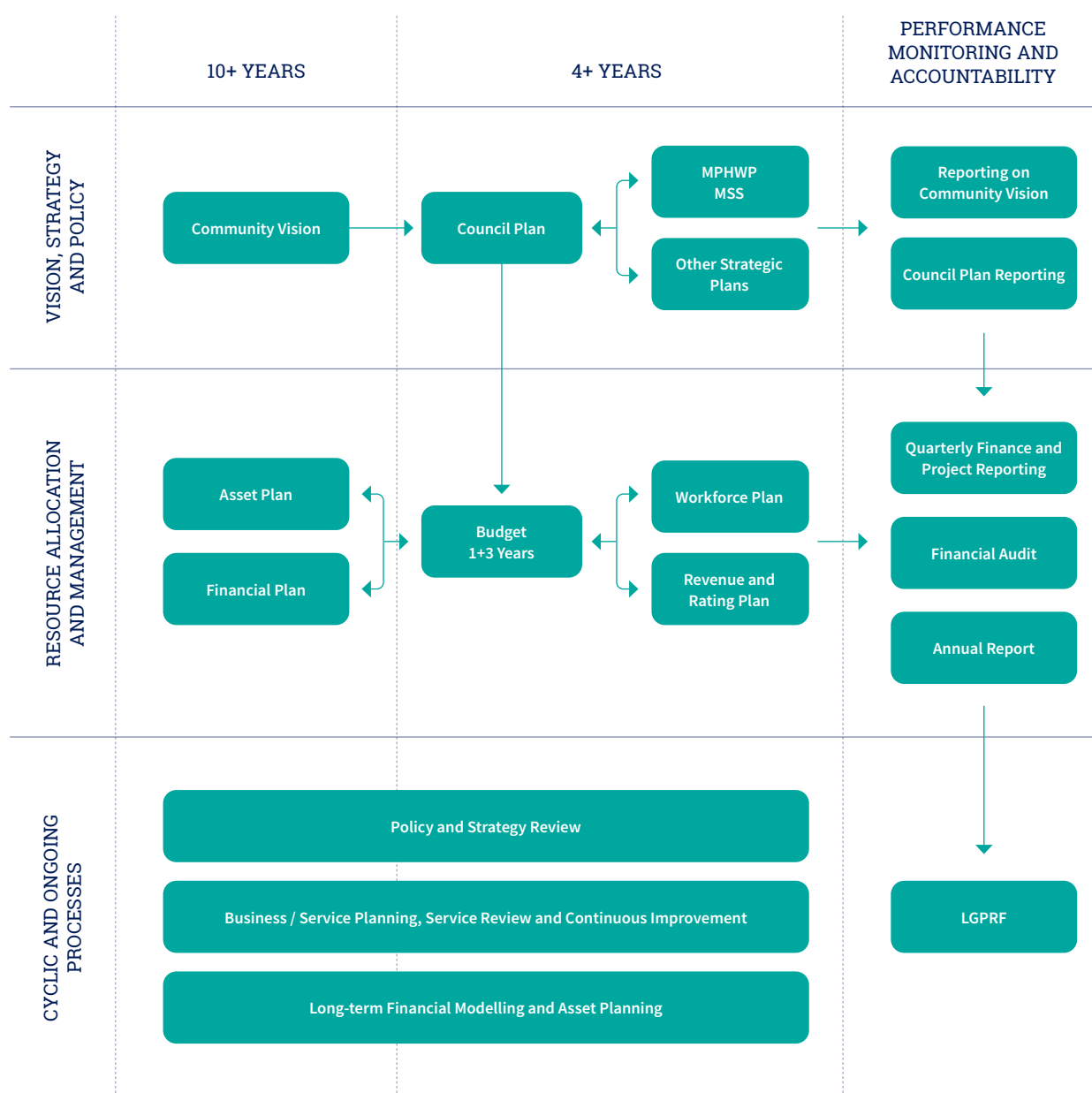


# HOW THE COUNCIL WORKS

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 staff employed by the Council. The CEO is the only member of staff directly employed by the Council.

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

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

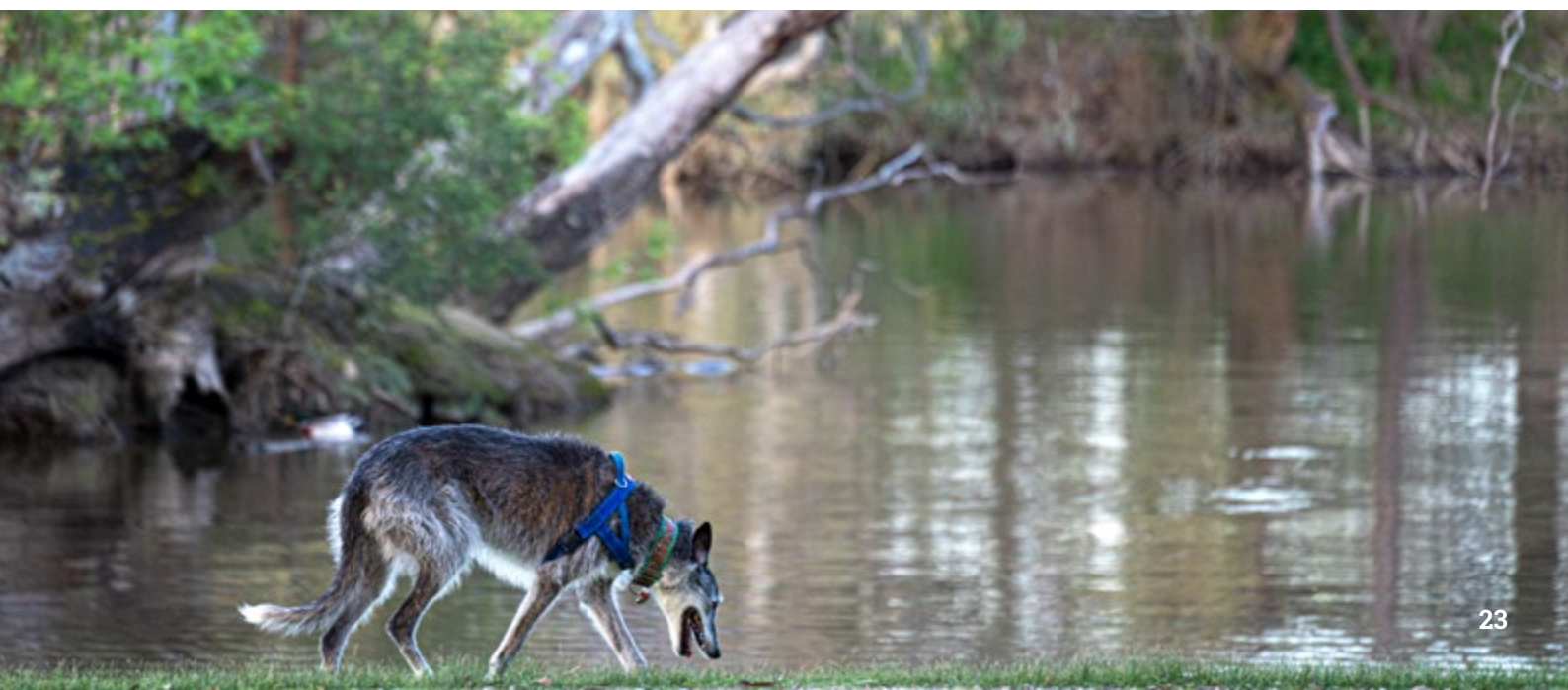


## Service Performance Indicators

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

Service Performance Indicators Service / Indicator / Measure	Results 2019	Results 2020	Results 2021	Results 2022	Comments
<b>AQUATIC FACILITIES</b>					
<b>Service standard</b>					
<b>Health inspections of aquatic facilities</b> <i>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</i>	4.00	3.00	3.00	<b>3.00</b>	
<b>Utilisation</b>					
<b>Utilisation of aquatic facilities</b> <i>[Number of visits to aquatic facilities / Municipal population]</i>	7.31	5.14	2.14	<b>3.55</b>	The result for this measure has increased due to the facility reopening after the easing of COVID-19 restrictions.
<b>Service cost</b>					
<b>Cost of aquatic facilities</b> <i>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</i>	New in 2020	\$9.37	\$22.50	<b>\$16.75</b>	The result for this measure has decreased due to increased visitation after COVID-19 restrictions eased.
<b>ANIMAL MANAGEMENT</b>					
<b>Timeliness</b>					
<b>Time taken to action animal management requests</b> <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	1.00	1.00	1.00	<b>1.00</b>	
<b>Service standard</b>					
<b>Animals reclaimed</b> <i>[Number of animals reclaimed / Number of animals collected] x100</i>	33.77%	35.01%	40.35%	<b>50.54%</b>	The result for this measure has increased due to the Councils online presence for reclaiming animals.
<b>Animals rehomed</b> <i>[Number of animals rehomed / Number of animals collected] x100</i>	New in 2020	0.00%	0.00%	<b>0.00%</b>	Council does not operate a rehoming service. This is undertaken by our contract pound service provider.
<b>Service cost</b>					
<b>Cost of animal management service per population</b> <i>[Direct cost of the animal management service / Population]</i>	New in 2020	\$15.37	\$18.35	<b>\$24.92</b>	The result for this measure has increased due to the cost of the service provided by the RSPCA as the Councils Animal Pound.
<b>Health and safety</b>					
<b>Animal management prosecutions</b> <i>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</i>	New in 2020	0.00%	100.00%	<b>60.00%</b>	The result for this measure has decreased due to the reduction of successful animal prosecutions in 2022.

Service Performance Indicators Service / Indicator / Measure	Results 2019	Results 2020	Results 2021	Results 2022	Comments
FOOD SAFETY					
<b>Timeliness</b>					
<b>Time taken to action food complaints</b> <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	1.00	1.00	1.00	<b>1.00</b>	
<b>Service standard</b>					
<b>Food safety assessments</b> <i>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</i>	97.98%	71.30%	77.59%	<b>50.00%</b>	The result for this measure has decreased due to reduction in operation of some classes of food premises still impacted by COVID-19.
<b>Service cost</b>					
<b>Cost of food safety service</b> <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$499.02	\$431.09	\$420.52	<b>\$554.60</b>	The result for this measure has increased due to reduction in operation of some classes of food premises still impacted by COVID-19 that are not currently operating.
<b>Health and safety</b>					
<b>Critical and major non-compliance outcome notifications</b> <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	0.00%	100.00%	0.00%	<b>0.00%</b>	No critical and major non-compliance outcome notifications for 2022.



Service Performance Indicators Service / Indicator / Measure	Results 2019	Results 2020	Results 2021	Results 2022	Comments
GOVERNANCE					
<b>Transparency</b>					
<b>Council decisions made at meetings closed to the public</b> [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100	14.79%	12.88%	10.88%	<b>9.96%</b>	
<b>Consultation and engagement</b>					
<b>Satisfaction with community consultation and engagement</b> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	56.00	55.00	52.00	<b>47.00</b>	The result for this measure has decreased due to negative publicity regarding key Council projects.
<b>Attendance</b>					
<b>Councillor attendance at council meetings</b> [The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100	92.38%	93.41%	100.00%	<b>98.10%</b>	
<b>Service cost</b>					
<b>Cost of elected representation</b> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$32,316.51	\$33,594.96	\$31,357.26	<b>\$31,357.26</b>	The result for this measure has increased due to an increase in Mayoral, Deputy Mayor and Councillor allowances payable from 18 December 2021.
<b>Satisfaction</b>					
<b>Satisfaction with council decisions</b> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	56.00	54.00	57.00	<b>48.00</b>	The result for this measure has decreased due to negative publicity regarding key Council projects.

Service Performance Indicators Service / Indicator / Measure	Results 2019	Results 2020	Results 2021	Results 2022	Comments
<b>LIBRARIES</b>					
<b>Utilisation</b>					
<b>Physical library collection usage</b> <i>[Number of physical library collection item loans / Number of physical library collection items]</i>	3.62	3.04	2.19	<b>2.60</b>	The result for this measure has increased due to the slight return of patronage after the easing of COVID-19 restrictions which caused a major reduction in patronage. Collection usage has not yet returned to pre COVID-19 levels. Public Libraries Victoria have launched the campaign "Return Yourself to the Library" to address this issue.
<b>Resource standard</b>					
<b>Recently purchased library collection</b> <i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i>	56.78%	59.18%	53.83%	<b>56.11%</b>	
<b>Participation</b>					
<b>Active library borrowers in municipality</b> <i>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</i>	17.63%	16.89%	14.64%	<b>12.66%</b>	The results for this measure have decreased due to reduced patronage and usage across the Library industry since the COVID-19 pandemic started in 2020. Public Libraries Victoria have launched the campaign "Return Yourself to the Library" to address the issue.
<b>Service cost</b>					
<b>Cost of library service per population</b> <i>[Direct cost of the library service / Population]</i>	New in 2020	\$40.95	\$30.39	<b>\$44.62</b>	The result for this measure has increased due to "return to normal" operations since the reduction in opening hours and services during the COVID-19.



Service Performance Indicators Service / Indicator / Measure	Results 2019	Results 2020	Results 2021	Results 2022	Comments
MATERNAL AND CHILD HEALTH (MCH)					
<b>Service standard</b>					
<b>Infant enrolments in the MCH service</b> <i>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</i>	100.79%	101.71%	100.00%	<b>101.55%</b>	
<b>Service cost</b>					
<b>Cost of the MCH service</b> <i>[Cost of the MCH service / Hours worked by MCH nurses]</i>	\$79.95	\$60.79	\$89.39	<b>\$102.65</b>	The result for this measure has increased due to expanded staffing levels such as the employment of a Maternal Child Health Team Leader, increased use of casual staff and additional support staff. COVID-19 impacted consultation times, causing an increase in appointment time allocations to allow for COVID-19 screening.
<b>Participation</b>					
<b>Participation in the MCH service</b> <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	79.93%	78.95%	77.81%	<b>87.54%</b>	The result for this measure has increased due to expanded staffing levels, improved coordination and promotion of the Maternal Child Health service.
<b>Participation in the MCH service by Aboriginal children</b> <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	88.52%	75.93%	75.00%	<b>89.06%</b>	The result for this measure has increased due to expanded staffing levels, improved coordination and promotion of the Maternal Child Health service and increased focus of Enhanced Maternal Child Health service.
<b>Satisfaction</b>					
<b>Participation in 4-week Key Age and Stage visit</b> <i>[Number of 4-week key age and stage visits / Number of birth notifications received] x100</i>	New in 2020	94.87%	97.67%	<b>100.00%</b>	

Service Performance Indicators Service / Indicator / Measure	Results 2019	Results 2020	Results 2021	Results 2022	Comments
ROADS					
<b>Satisfaction of use</b>					
<b>Sealed local road requests</b> [Number of sealed local road requests / Kilometres of sealed local roads] x100	26.79	17.68	26.43	<b>40.58</b>	The result for this measure has increased due to the January Storm Event in 2022, which caused significant damage to both sealed and unsealed roads within the municipality.
<b>Condition</b>					
<b>Sealed local roads maintained to condition standards</b> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	98.39%	98.57%	98.80%	<b>93.88%</b>	
<b>Service cost</b>					
<b>Cost of sealed local road reconstruction</b> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$0.00	\$80.38	\$184.06	<b>\$59.91</b>	The result for this measure has decreased due to prices received during the procurement process for the 2021/2022 sealed road reconstruction program.
<b>Cost of sealed local road resealing</b> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.83	\$5.49	\$6.00	<b>\$3.58</b>	The result for this measure has decreased due to prices received during the procurement process for the 2021/2022 Resealing Program.
<b>Satisfaction</b>					
<b>Satisfaction with sealed local roads</b> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	54.00	49.00	53.00	<b>45.00</b>	The result for this measure has decreased due to the January Storm Event in 2022, which caused significant damage to both sealed and unsealed roads within the municipality.
STATUTORY PLANNING					
<b>Timeliness</b>					
<b>Time taken to decide planning applications</b> [The median number of days between receipt of a planning application and a decision on the application]	23.00	29.00	34.00	<b>35.00</b>	
<b>Service standard</b>					
<b>Planning applications decided within required time frames</b> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	88.39%	85.31%	83.33%	<b>87.60%</b>	

Service Performance Indicators Service / Indicator / Measure	Results 2019	Results 2020	Results 2021	Results 2022	Comments
<b>Service cost</b>					
<b>Cost of statutory planning service</b> <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$1,554.14	\$1,563.97	\$1,009.35	<b>\$1,451.97</b>	The result for this measure has increased due to the increase in income and applications for planning permits.
<b>Decision making</b>					
<b>Council planning decisions upheld at VCAT</b> <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	0.00%	50.00%	0.00%	<b>33.33%</b>	Three decisions taken to VCAT in 2021/22 which resulted in one matter being affirmed and two matters being set aside.
<b>WASTE COLLECTION</b>					
<b>Satisfaction</b>					
<b>Kerbside bin collection requests</b> <i>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000</i>	126.95	135.30	137.80	<b>173.16</b>	The result for this measure has increased due to a rise in kerbside garbage bins attributed to new homes.
<b>Service standard</b>					
<b>Kerbside collection bins missed</b> <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i>	9.07	11.93	6.55	<b>8.60</b>	The result for this measure has increased due to a minor increase in missed bins.
<b>Service cost</b>					
<b>Cost of kerbside garbage bin collection service</b> <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$57.43	\$58.23	\$55.12	<b>\$54.78</b>	
<b>Cost of kerbside recyclables collection service</b> <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$69.50	\$77.03	\$82.09	<b>\$87.34</b>	
<b>Waste diversion</b>					
<b>Kerbside collection waste diverted from landfill</b> <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	60.85%	60.91%	60.88%	<b>60.20%</b>	No material variation.

# DESCRIPTION OF OPERATIONS

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

*We govern for and on behalf of the community.*

Our role includes:

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



# STRATEGIC OBJECTIVES

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



## THEME 1: **CONNECTED AND VIBRANT COMMUNITY**

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



## THEME 2: **ENGAGING AND ACCESSIBLE PLACES AND SPACES**

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



## THEME 3: **SUSTAINABLE ENVIRONMENT**

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



## THEME 4: **THRIVING AND PROGRESSIVE ECONOMY**

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



## THEME 5: **HIGH PERFORMING ORGANISATION**

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

THEME 1

# CONNECTED AND VIBRANT COMMUNITY



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

The following statement reviews the performance of the Council against the major initiatives identified in the 2021/2022 Budget.

Major Initiatives	Comment
Adoption of a Community Vision	Adopted 27 October 2021
Adoption of a Council Plan 2021-2025	Adopted 27 October 2021

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

Strategic Indicator / Measure	Target	Result
Number of community groups receiving a grant from the Community Support Program.	70	53
Number of rural forums	2	0
Youth Strategy reviewed and updated	1	0
Active library members in municipality (Percentage of the municipal population that are active library borrowers).	18%	13%
Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population).	5	4
Participation in the MCH service. (Percentage of children enrolled who participate in the MCH service).	80%	88%



The following statement reviews the performance of the Council against services funded in the 2020/21 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
<b>Corporate Division</b>	<p>Coordinates a range of services for the community including:</p> <ul style="list-style-type: none"> <li>• Community engagement in accordance with the Communication and Consultation Strategy</li> <li>• Supporting the youth of the community with planning and development of activities to engage young people and to network with service partners.</li> <li>• Delivering a range of services to residents of all ages, cultures and socio-economic backgrounds to enhance their independence, dignity, connectedness, health and wellbeing.</li> <li>• Coordinating and supporting the operation of the Aquatic Centre facility for the community.</li> <li>• Coordinating the planning and response to emergency events.</li> <li>• Delivering immunisation programs.</li> <li>• Coordinating school crossing supervisors.</li> <li>• Providing environmental health education programs.</li> <li>• Coordinating, supporting and growing our volunteer base.</li> </ul>	7,411	(3,132)	<b>4,279</b>

# ANNUAL GRANTS PROGRAM

## 2021/22

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

Our funding streams are:

- Community Grants
- Youth Participation Grants
- Major Event Funding Program
- Community Sponsorship Grants

### **Community Grants**

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

### **Youth Participation Grants**

Youth Participation Grants provide funds of up to \$1,000 for eligible projects, activities and events, which may include leadership programs, fundraising projects, healthy living initiatives and other youth-led ideas.

### **Major Event Funding**

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

### **Community Sponsorship Grants**

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



## Community Grants 2021/22

In 2021/22, 30 community-based organisations received funding totalling \$64,666 for projects and activities that enable participation in social, cultural and economic life in Benalla Rural City. No Youth Participation Grants applications were received. Six event organisers received funding of up to \$2,000 under the Major Event Funding program for events that provide measurable economic benefit and enhance the image and liveability of Benalla Rural City.

Recipient	Project	Funding
<b>Astronomy Benalla Inc.</b>	Equipment Acquisition Plan - stage one Telescope Mount - The item is a telescope mount with tripod to provide a sturdy motorised base for existing and future telescopes. It will have a 'go to' function that automatically slews to selected celestial objects and then tracks them for viewing and photography. This is stage one of a proposed five stages of equipment acquisition plan to build a portable, efficient and relatively future proof system.	\$2,420
<b>Benalla &amp; District Junior Football</b>	Youth Mental Health Check In - engage professional speakers to address U17 and U14 age groups in areas of Mental Health, Drugs and Alcohol.	\$1,957
<b>Benalla and District Preschool Partnership</b>	Purchase of low level and multi-level outdoor climbing equipment suitable for three-year-old children.	\$2,500
<b>Benalla Basketball Association Inc</b>	New scoreboard for stadium.	\$2,500
<b>Benalla Bushrangers Cricket Club Inc</b>	Replace ageing practice wicket - replace the surface of the second of the three nets which involves removing the old concrete and laying a new slab which will be covered with new synthetic grass.	\$2,000
<b>Benalla Golf Club Incorporated</b>	Catch Your Breath. Take A Break! - install three new seats at strategic locations around our course- in shaded areas, accessible to both men and women golfers, where congestion occurs, and players wait for preceding groups to clear.	\$2,323
<b>Benalla Lawn Tennis and Croquet Club inc.</b>	Upgrading the front of the Benalla Lawn Tennis and Croquet clubhouse - concrete in the existing steps in front of the clubhouse and put a steel safety rail around the new perimeter (including the steps in the middle).	\$2,500
<b>Benalla Little Athletics Centre</b>	Line marking.	\$2,500
<b>Benalla Migrants Association Incorporated</b>	Australia Citizenship Day Welcome - host a large community event on Australian Citizenship Day in September 2022 to welcome new Australia citizens and migrants living in the Benalla Rural City.	\$2,500
<b>Benalla Netball Association</b>	Safety First - update and replenish its first aid supplies and equipment.	\$1,000

Recipient	Project	Funding
<b>Benalla Saints Past Players &amp; Officials</b>	Chiswell Pavilion replacement - rebuild a public shelter at the site for spectators and patrons of events at the reserve.	\$2,500
<b>Benalla Saints Sports Club</b>	Flooring replacement - Player change rooms require flooring replacement. Industrial carpet that was installed 10 years ago is now worn through and presenting safety issues with Trip Hazards.	\$865
<b>Benalla Scout Group</b>	Brighten Lowry Place - Paint the exterior of the Benalla Scout Hall. Rotary Benalla will supply the labour and equipment to prepare and paint the building.	\$2,500
<b>Benalla Sports and Entertainment Centre Inc</b>	Repair and replacement of furniture - repair and replace its ageing furniture.	\$2,500
<b>Benalla Young Sportspersons Trust</b>	Benalla Young Sportsperson Trust	\$2,000
<b>Capability Building Incorporated</b>	Careers Day DJ Opportunity - purchase some equipment that may be utilised on the day and at further events into the future to develop a career pathway for our students	\$2,000
<b>Devenish Public Hall Committee of Management</b>	Disabled Toilet - Devenish Public Hall is in the process of installing a disabled toilet. It is in three stages, first stage completed. This grant is to purchase fittings and fixtures for the disabled toilet as part of stage two.	\$2,000
<b>Goorambat Football Netball Club</b>	Children's Playground Shade Project	\$2,500
<b>Lima South Community Hall Committee of Management</b>	Install energy efficient air-conditioning system - supply and fit of three energy efficient split cycle air-conditioning units	\$2,500
<b>Live Art Benalla and Goulburn and North East Arts Alliance</b>	MURAL MUSIC - an afternoon of free live music and art activities in Benalla. 'Mural Music' is a Free afternoon of local music and art activities at Benalla's iconic Ceramic Mural, featuring musicians Inisheer (Celtic Music), Ellen James (Folk - Singer/songwriter), Chloe Jade (originals and covers) and Dallas Alice (Country), presented on 5 June 2022, from 2.30pm-5pm.	\$2,360
<b>Moirra Benalla Club Inc.</b>	Disability Access Pathway - installation of a concrete pathway and 'drop point' from the club's carpark to the front of Moirra House where it will meet an existing concrete ramp. The purpose of this pathway is to allow ease of access for people with various mobility restrictions.	\$2,000
<b>Molyullah Recreation &amp; Public Hall Reserve Inc.</b>	Defibrillator for safety.	\$2,500

Recipient	Project	Funding
<b>Moorngag Hall and Recreation Reserve</b>	Outdoor furniture for events - 60 quality stacking chairs and 10 folding tables for outdoor events at the recreation reserve.	\$2,100
<b>North East Artisans</b>	Increasing NEAs capacity for professional display of single dimension works of art - purchase a new and reliable tacking and hanging system.	\$2,496
<b>North East Multicultural Association</b>	Harmony Day Celebration.	\$2,000
<b>Robinson Jiu Jitsu Benalla</b>	Project Max Mats - for growth, safety and hygiene, the gym requires greater mat area.	\$2,500
<b>Room at the Table Inc</b>	RATT Studio - removable customised wallpaper with the RATT logo and other RATT related pictures for the large wall in our main room (where we run most of our sessions) to make the background for filming and livestreaming bigger studio activities look professional and attractive. Other equipment for the RATT Studio could include items such as soundproofing, lighting, internet capacity improvement, extenders, cables, chargers, top-down camera stand	\$2,500
<b>Swanpool Bowling Club Inc</b>	Provision of outdoor seating - purchase of new competitor and spectator outdoor seating.	\$2,500
<b>Tatong Anglers Group Inc</b>	Weather protection equipment for trips and events - purchase two six meter by three meter gazebos with commercial grade covers and lighting to ensure safety at night times.	\$1,345
<b>U3A Benalla Inc</b>	Chairs for extended computer use.	\$800
<b>Total</b>		<b>\$64,666</b>



## Youth Participation Grant 2021/22

There were no Youth Participation Grant applications received.

## Major Event Funding 2021/22

Recipient	Project	Funding
<b>Austin 7 Club</b>	Historic Winton - Australia's longest running Historic Race meet for historic cars and motorbikes at Winton Motor Raceway	\$2,000
<b>Benalla Family Research Group Inc.</b>	Heritage Festival – Lone Graves and Other Curiosities. The four-day event will run in conjunction with the National Trust Australian Heritage Festival. Program will include speakers, guided tours, exhibition and workshops.	\$2,000
<b>Benalla Migrant Camp Inc.</b>	Benalla Migrant Camp 'Walk of Lights' - former camp residents, locals and visitors will form a procession that will be photographed by a 'light painter' for the Benalla Migrant Camp Exhibition.	\$2,000
<b>Benalla Racing Club</b>	Benalla Gold Cup Spring Carnival - Kids Zone activities	\$2,000
<b>HDHR Club of Victoria</b>	2023 HD/HR Holden Nationals Show and Shine - National HD/HR Nationals Show and Shine. Event includes welcome dinner, static display, presentation dinner and touring within the rural city.	\$2,000
<b>Let Us Entertain You</b>	Benalla Shorts - 8th National Film Festival open to Australian films of all genres.	\$2,000
<b>Total</b>		<b>\$12,000</b>



## Community Sponsorship Program 2021/22

Applicant	Project	Funding
Live4Life Benalla Crew	Live4Life Benalla Crew Jumpers	\$500
Rotary Club of Benalla Inc	Sending Kids to Camp	\$500
Carers and Parents Support Group Inc.	CPSG Reconnect Meeting	\$500
Friends of the Benalla Art Gallery	Lunch with Max Allen	\$500
Better Benalla Rail Inc	Inform the Community - Year 2	\$500
Benalla Men's Shed	Battery and pads for Defibrillator	\$360
The Goulburn and North East Arts Alliance- (GANEAA)	Arts workshops	\$500
Benalla Water Tower Preservation Group Inc	BWTPG operational needs	\$500
Lurg Hall and Reserve Committee of Management	Reserve area outdoor kitchen	\$500
Moorngag Cemetery Trust	Official opening of Moorngag Cemetery Memorial Garden	\$500
Benalla Squash Club	Inflatable Court at Come & Try Day	\$500
Rotary International District 9790 Incorporated	Rotary District 9790 District Assembly	\$500
For the Good of Devenish	Anzac Day 2022 service	\$500
Tatong Memorial Hall Committee of Management Inc.	The Tatong Community Historical Display 1905-2022	\$500
Benalla Aviation Museum and Men's Shed	Safety Barrier	\$500
U3A Benalla	Printed Brochure for U3A Benalla	\$330
Golden Vale Golf Club Inc.	Grounds & machinery maintenance	\$500
Total		\$8,190

## THEME 2

# ENGAGING AND ACCESSIBLE PLACES AND SPACES



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

The following statement reviews the performance of the Council against the major initiatives identified in the 2021/22 Budget.

Major Initiatives	Comment
<b>Commence the Visitor Information Centre Upgrade project.</b>	Construction tender awarded to Landmark Pty Ltd March 2022.
<b>Commence the Benalla Art Gallery Upgrade project.</b>	Consultation report completed July 2021. Benalla Art Gallery Redevelopment – Design Services contract awarded April 2022.
<b>Deliver and promote maintenance programs for cores assets such as roads, bridges and drainage.</b>	Maintenance programs delivered. Increased use of social media to promote maintenance activities.

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

Strategic Indicator / Measure	Target	Result
Percentage of collected registerable animals under the <i>Domestic Animals Act 1994</i> reclaimed.	35%	51%
Percentage of required food safety assessments undertaken	95%	50%
Community satisfaction with sealed local roads.	50	45%
Median number of days taken between receipt of a planning application and a decision on the application.	30	35
Percentage of VicSmart planning application decisions made within legislated time frames.	85%	88%
Participation in the MCH service (Percentage of children enrolled who participate in the MCH service).	80%	88%

The following statement reviews the performance of the Council against services funded in the 2021/22 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
<b>Corporate Division</b>	<p>Coordinates the accessibility, maintenance and planning of engaging spaces and places for the community by:</p> <ul style="list-style-type: none"> <li>• Overseeing the operations of the Benalla Library and library services for all residents.</li> <li>• Operating the Benalla Art Gallery that provides cultural and tourism benefits to our city.</li> <li>• Providing Geographic Information System mapping which provide computer based mapping and aerial photographs.</li> <li>• Overseeing Land Use Planning Services in accordance with the Benalla Planning Scheme and the <i>Planning and Environment Act</i>.</li> <li>• Providing Building Surveyor Services to meet statutory obligations in accordance with the Local Government Act and Building Regulations.</li> <li>• Coordinating Council's statutory obligations in relation to the <i>Domestic and Feral and Nuisance Animal Act</i>, Road Regulations, <i>Environment Protection Act</i> and <i>Country Fire Authority Act</i>.</li> <li>• Providing professional Environmental Health services to meet statutory obligations outlines in the <i>Health Act and Environmental Protection Act</i>.</li> <li>• Overseeing the management of Council's assets including but not limited to the road management plan encompassing urban roads, drains and footpaths and rural roads, drains and footpaths.</li> <li>• Implementation of major and minor works project management, street sweeping, minor construction works and asset inspection programs.</li> </ul>	11,337	(7,455)	<b>3,882</b>

THEME 3

# SUSTAINABLE ENVIRONMENT



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

The following statement reviews the performance of the Council against the major initiatives identified in the 2021/22 Budget.

Major Initiatives	Comment
<b>Bring into operation the Benalla Landfill and Resource Recovery Centre transfer station.</b>	Construction of undercover disposal structure and elevated sawtooth bin arrangement completed.
<b>Review and update the Benalla Landfill and Resource Recovery Centre Masterplan.</b>	Not progressed. Waiting on EPA approval of new cells and rehabilitation design.
<b>Investigate the installation of solar power at key Council facilities.</b>	Officers working with Royal Melbourne Institute of Technology to investigate the feasibility of an energy microgrid system connecting key Council buildings.

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

Strategic Indicator / Measure	Target	Result
Community satisfaction rating for our performance in environmental sustainability.	NA	55
Community satisfaction rating for our performance in waste management.	NA	64
Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill.	65%	60%





The following statement reviews the performance of the Council against services funded in the 2021/22 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
<b>Corporate Division</b>	<p>Coordinates a proactive and strategic approach to protect our natural environment and safeguard its ability to support our community into the future by:</p> <ul style="list-style-type: none"> <li>• Overseeing the management and provision of environmental projects.</li> <li>• Ensuring that waste collection, recycling programs, EPA licenced landfill operation and waste minimisation programs are run in accordance with state and regional plans and policies.</li> <li>• Coordinating the management and provision of advice on external domestic waste water programs in consultation with relevant stakeholders.</li> </ul>	6,027	(6,131)	<b>(104)</b>

## THEME 4

# THRIVING AND PROGRESSIVE ECONOMY



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

The following statement reviews the performance of the Council against the major initiatives identified in the 2021/22 Budget.

Major Initiatives	Comment
Develop an Economic Development Plan	Funded under the Victorian Forestry Plan Local Development Strategy Grants Program, preparation has begun on the development of a Benalla Rural City Local Development strategy.

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

Strategic Indicator / Measure	Target	Result
Community satisfaction rating for our performance in tourism development.	NA	56





The following statement reviews the performance of the Council against services funded in the 2021/22 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
<b>Corporate Division</b>	<ul style="list-style-type: none"> <li>Oversees the destination promotion and visitor servicing for our Rural City.</li> <li>Facilitating Council's civic and community events and the provision of support to other events to ensure compliance, while promoting community involvement and the lifestyle the Rural City offers.</li> <li>Managing the operation of the BPACC facility which engages a diverse range of Benalla residents coming from a wide range of socio-economic backgrounds and visitors to our area.</li> <li>Overseeing the long-term maintenance management program for Council's facility with the provision of repairs, maintenance and servicing of facilities that are utilised by a broad range of stakeholders including the general public and Council staff.</li> <li>Optimising the strategic value of and service potential of Council assets including but not limited to municipal buildings, aerodrome and pavilions</li> </ul>	6,980	(22,459)	<b>(15,479)</b>

THEME 5

# HIGH PERFORMING ORGANISATION



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

The following statement reviews the performance of the Council against the major initiatives identified in the 2021/22 Budget.

Major Initiatives	Comment
Develop a Financial Plan in accordance with the <i>Local Government Act 2020</i> .	Adopted 27 October 2021.
Develop a CEO Employment and Remuneration Policy in accordance with the <i>Local Government Act 2020</i> .	Adopted 15 December 2021.
Develop a Workforce Plan in accordance with the <i>Local Government Act 2020</i> .	Adopted 31 December 2021.
Review and update the Procurement Policy in accordance with the <i>Local Government Act 2020</i> .	Updated policy adopted 10 November 2021.
Develop an Asset Management Plan.	Adopted 29 June 2022.
Review and update the Business Continuity Plan.	Business Continuity and Disaster Recovery processes reviewed by the Council's internal auditor in April 2022.

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

Strategic Indicator / Measure	Target	Result
Community satisfaction with Council's overall performance.	70	53
Community satisfaction with how Council has performed in making decisions in the interest of the community.	70	48
Community satisfaction with how Council has performed in customer service	70	66
Community satisfaction with the consultation and engagement efforts of Council.	55	47
Community satisfaction with the overall direction of Council	54	46
Community satisfaction with Council's advocacy.	55	48

The following statement reviews the performance of the Council against services funded in the 2021/22 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
<b>CEO Division</b>	Oversees the office of the Chief Executive Officer (CEO), the Mayor and Councillor support as well as the internal audit program.	709	(18)	<b>691</b>
<b>Corporate Division</b>	<ul style="list-style-type: none"> <li>Oversees the governance of Council to ensure accountability, enhancement and prosperity and viability.</li> <li>Ensures all day to day operational council buildings are maintained to an operational standard.</li> <li>Provides the financial based services to both internal and external customers including the management of Council's finances, procurement and contracting services, raising and collection of rates and charges and valuation of properties throughout the municipality.</li> <li>Ensures that the relevant human resources are managed and supported including training and development for staff.</li> <li>Provides information technology services to Council staff over various locations.</li> <li>Responsible for the achievement of corporate objectives in regard to Risk Management, Insurance and Occupational Health and Safety.</li> <li>Coordinates Council's statutory obligations in relation to the <i>Domestic and Feral and Nuisance Animal Act</i>, <i>Road Regulations</i>, <i>Environment Protection Act</i> and <i>Country Fire Authority Act</i>.</li> <li>Provides professional Environmental Health services to meet statutory obligations outlines in the <i>Health Act</i> and <i>Environmental Protection Act</i>.</li> </ul>	1,985	(105)	<b>1,880</b>

# STATUTORY INFORMATION

## Carers Recognition Act 2012

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

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

## Council Information

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

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

## Disability Action Plan

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

## Domestic Animal Management Plan

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

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

## Food Act Ministerial Directions

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

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





## Freedom of Information

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

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

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

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

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

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

## Public Interest Disclosures Procedures

In accordance with section 70 of the *Public Interest Disclosures Act 2012* a Council must include in their annual report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of public interest disclosure complaints investigated during the financial year.

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

In 2021/22 no disclosures were notified to the Independent Broad-based Anti-Corruption Commission.

## Road Management Act Ministerial Direction

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

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

# ACCOUNTABILITY AND GOVERNANCE

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

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

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

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

## Council Committee System and Meeting Cycle

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

Meeting type	Purpose
<b>Finance and Operations Committee</b>	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 comprises all Councillors. The quorum for this committee is a majority of members.
<b>Planning and Development Committee</b>	This Committee considers all matters relating to strategic and statutory planning and associated matters, infrastructure, environmental issues and economic development matters. Membership comprises all Councillors. The quorum for this Committee is a majority of the members.
<b>Council</b>	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

Number of meetings held: 15

(10 Council Meetings, 5 Additional Council Meetings)

Councillor attendance at Council Meetings and Additional Council Meetings during 2021/22.

### Attendance between 1 July 2021 and 30 June 2022

Councillor	Ordinary Council meetings attended	Special Council meetings attended	Total
Cr Danny Claridge	10	5	15
Cr Peter Davis	10	5	15
Cr Don Firth	10	5	15
Cr Bernadette Hearn	10	5	15
Cr Punarji Hewa Gunaratne	10	4	14
Cr Justin King	10	4	14
Cr Gail O'Brien	10	5	15

## Finance and Operations Committee Meetings

Number of meetings held: 12

(9 F&O Committee meetings, 3 Additional F&O Committee Meetings)

### Attendance between 1 July 2021 and 30 June 2022

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

## Planning and Development Committee Meetings

Number of meetings held: 9

### Attendance between 1 July 2021 and 30 June 2022

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

\* No additional P&D Committee meetings were held for the 2021/2022 period

## Councillor Code of Conduct

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

## Conflict of Interest

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

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

During 2021/22 there were 12 conflicts of interest disclosed by councillors at Council and Delegated Committee meetings. Disclosed conflicts of interest are included in the minutes of the meeting and are available on the Council's.

## Councillor Expenses

Councillor	Travel	Child Care	Information & Communications	Conferences & Training	Total
<b>Cr Danny Claridge</b>	\$1,017.96	–	\$166.27	\$1,495.59	<b>\$2,679.82</b>
<b>Cr Peter Davis</b>	–	–	\$158.16	–	<b>\$158.16</b>
<b>Cr Don Firth</b>	\$721.10	–	\$158.16	\$1,365.59	<b>\$2,244.85</b>
<b>Cr Bernadette Hearn (Mayor)</b>	\$1,059.33	–	\$119	\$3,615.59	<b>\$4,793.92</b>
<b>Cr Punarji Hewa Gunaratne</b>	–	\$933.54	\$136.35	\$551.50	<b>\$1,621.39</b>
<b>Cr Justin King</b>	–	–	\$158.16	\$466.50	<b>\$624.66</b>
<b>Cr Gail O'Brien</b>	–	–	\$149.98	\$1,401.50	<b>\$1,551.48</b>

The Mayor (personal and Council business use) and councillors (Council business use) are provided with a fully maintained motor vehicle. Total fleet charges, including fuel costs, in 2021/22 were \$4,862.86.

Councillors and staff are provided with a meal after Council and committee meetings. Total catering cost in 2021/22 were \$9,646.20.

## Councillor Allowances

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

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

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

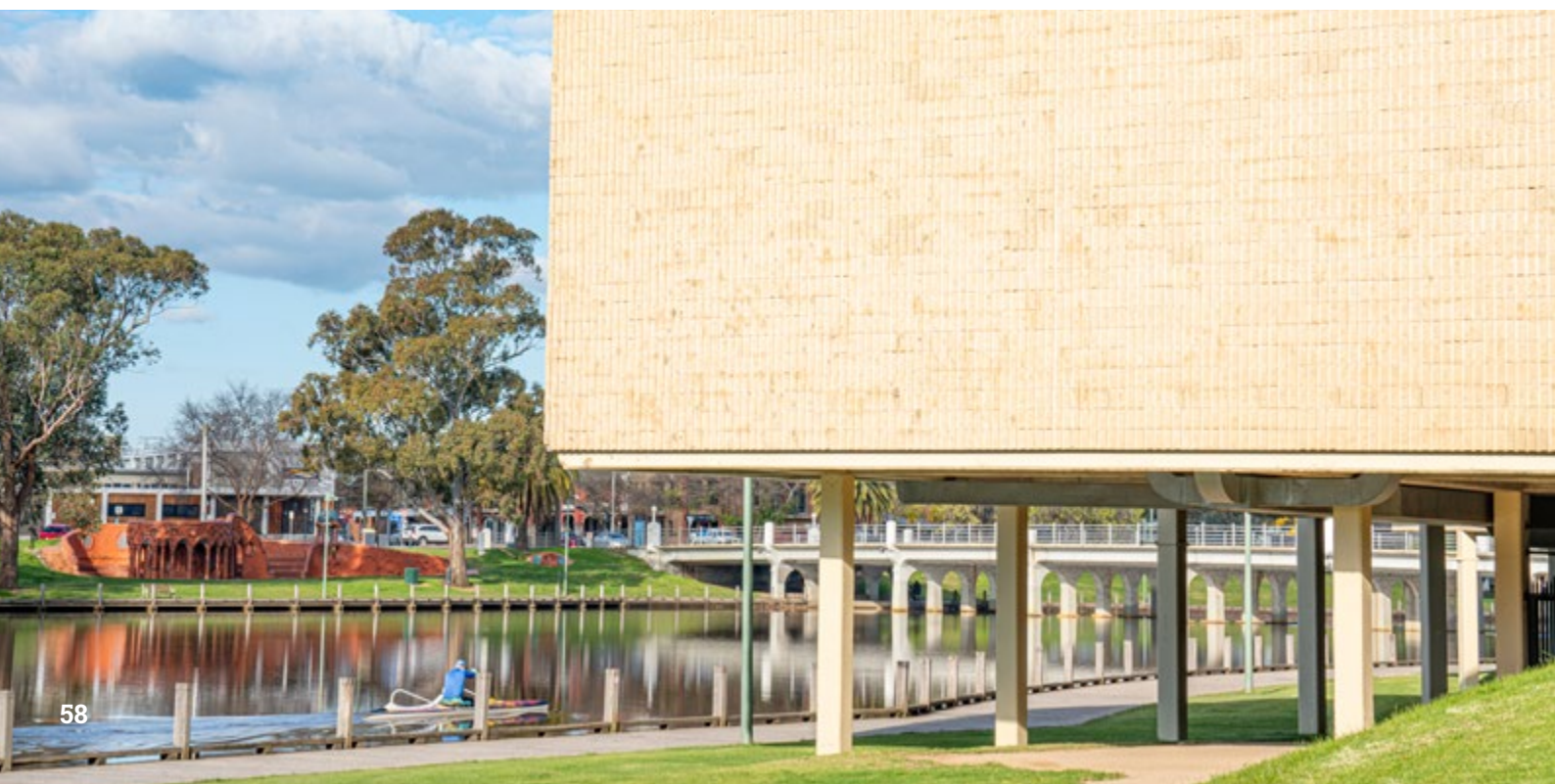
For 2021/22 Benalla Rural City was classified as a Category 1 Council. On 13 April 2022 the Council resolved that the Mayoral and Councillor allowances be set at the maximum level amount payable to a Category 1 Council plus a sum equivalent to the Superannuation Guarantee Contribution.

Councillor	Allowance
<b>Cr Danny Claridge</b> <i>Mayor between 1 July 2021 - 10 November 2021</i>	\$40,431.37
<b>Cr Peter Davis</b>	\$23,652.45
<b>Cr Donald Firth (Deputy Mayor)</b>	\$30,797.73
<b>Cr Bernadette Hearn (Mayor)</b>	\$55,372.43
<b>Cr Punarji Hewa Gunaratne</b>	\$23,652.45
<b>Cr Justin King</b>	\$23,652.45
<b>Cr Gail O'Brien</b>	\$23,652.45

## 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
<b>Audit and Risk Committee</b>	An independent Committee, required by the <i>Local Government Act 2022</i> , 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.
<b>Australia Day Advisory Committee</b>	Assists in the coordination of Australia Day celebrations throughout the municipality.
<b>Benalla Airport Advisory Committee</b>	Assists Council in the management and operation of the Benalla Airport.
<b>Benalla Festival Advisory Committee</b>	Manages the Benalla Festival and makes recommendations to Council about festival events and activities.
<b>Benalla Sports and Equestrian Centre Advisory Committee</b>	Guides and assist in the management and operation of the Benalla Equestrian Centre and associated racecourse reserve land.
<b>Chief Executive Officer Employment and Remuneration Committee</b>	Reviews the performance of the CEO
<b>Communications Advisory Committee</b>	Oversees Council communications and corporate publications.



## Procurement

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

## Audit and Risk Committee

### Membership

The committee comprises of two Councillors and a majority of independent members. The committee's Councillor positions are held by the Mayor or the Mayor's choice of Councillor and the Chair of the Finance and Operations Committee. The external members are:

Name	Qualifications	Professional Background
<b>Ms Rita HP Ruyters</b>	GradDipBus(Acc), GCP (Acc)	Has extensive experience and working knowledge in financial management accounting in the not-for-profit sector. Holds a Graduate Certificate in Professional Accounting, Executive Certificate in Corporate Governance and is a Fellow of the Institute of Public Accountants.
<b>Mr John Stapleton</b>	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.
<b>Mr Cameron Gray</b>	BBus M(Com)	Currently the Finance Manager at Cooina 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.
<b>Mr Michael B Hedderman</b>	BHA (UNSW), Dip Ag (Dookie)	Substantial hands-on experience in both public and private sector management roles throughout Victoria, which has included chief executive roles in public healthcare, business management roles in private aged care settings, quality and risk management, authorised officer for DHS and chair of compliance and risk committees. Member of the Benalla Rural City Community Plan Implementation Steering Committee and the Benalla Migrant Camp Restoration Committee along with other volunteer roles within the community of Benalla Rural City and beyond.

## Attendance

During the 2021/22 financial year there was a quorum for each Audit and Risk Committee meeting, where the appointed Chair presided. Attendance of Audit and Risk Committee members for the 2021/22 meeting schedule is detailed below.

Committee Members	August 2021	September 2021	November 2022	March 2022
<b>Cameron Gray</b> <i>(elected as Chair 2021)</i>	✓	✓	✓	✓
<b>Michael Hedderman</b>	✓	✓	✓	✓
<b>Rita HP Ruyters</b>	✓	✓	✓	✓
<b>John Stapleton</b>	✓	✓	✓	✓
<b>Cr Peter Davis</b>	✓	✓	✓	✓
<b>Cr Justin King</b> <i>(current Chair of the Finance and Operations Committee)</i>	✓	✓	✓	✓

## Terms of Reference

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

## Internal Audit

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
- presenting, discussing and providing advice on key issues.

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 contract for current internal auditor RSD Audit expires in 2021/22. A procurement process will be undertaken in 2022/23 to appoint a new internal auditor.

## External Audit

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

For 2017/18 and onwards, the Victorian Auditor General's Office has adopted a new three-year planning cycle for performance audits.










Our external audit focuses on three key areas:

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

## 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
<b>Community Engagement Policy</b> Policy outlining Council's commitment to engaging with the community on matters of public interest	 Policy adopted in accordance with section 55 of the Act Date of current policy: 23 February 2022
<b>Community Engagement Guidelines</b> Guidelines to assist staff to determine when and how to engage with the community	 Guidelines Date of current guidelines: 23 February 2022
<b>Financial Plan</b> Financial Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years	 Plan adopted in accordance with section 91 of the Act Date Plan adopted: 29 June 2022
<b>Asset Plan</b> Plan that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years	 Plan adopted in accordance with section 92 of the Act Date Plan adopted: 29 June 2022
<b>Revenue and Rating Plan</b> Plan setting out the rating structure of Council to levy rates and charges	 Plan adopted in accordance with section 93 of the Act Date Plan adopted: 23 June 2021
<b>Annual Budget</b> Plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required	 Budget adopted in accordance with section 94 of the Act Date Budget adopted: 29 June 2022
<b>Risk policy</b> Policy outlining Council's commitment and approach to minimising the risks to Council's operations	 Policy Date of current policy: 13 September 2019
<b>Fraud policy</b> Policy outlining Council's commitment and approach to minimising the risk of fraud	 Policy Date of current policy: 10 October 2018
<b>Municipal Emergency Management Plan</b> Plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery	 Plan prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> 13 November 2019

Governance and Management Item	Assessment
<b>Procurement Policy</b> Policy outlining the principles, processes and procedures that will apply to all purchases of goods, services and works	 Policy reviewed and adopted in accordance with section 108 of the Act Date adopted: 10 November 2021 29 June 2022
<b>Business Continuity Plan</b> Plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster	 Plan Date of current plan: 9 December 2016
<b>Disaster Recovery Plan</b> Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster	 Plan Date of current plan: 9 December 2016
<b>Risk Management Framework</b> Framework outlining Council's approach to managing risks to the Council's operations	 Framework Date of current framework: 19 September 2019
<b>Audit and Risk Committee</b> Advisory committee of the Council under section 53 and 54 of the Act	 Established in accordance with section 53 of the Act Date committee established: 26 August 2020
<b>Internal Audit</b> Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls	 Internal Auditor engaged Date of engagement of current provider: 15 March 2017
<b>Performance Reporting Framework</b> A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act	 Framework Date of operation of current framework: 1 July 2014
<b>Council Plan Reporting</b> Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year	 Report Council Meeting: 10 November 2021 27 April 2022
<b>Quarterly Budget Reports</b> Quarterly report to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations.	 Quarterly Reports presented to Council in accordance with section 97 (1) of the Act Dates reports presented: 18 August 2021 27 October 2021 23 March 2022 11 May 2022

Governance and Management Item	Assessment
<b>Risk Reporting</b> Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies	✓ Reports Risk reports prepared and presented: 23 November 2021 22 March 2022
<b>Performance Reporting</b> Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act	✓ Report Reports prepared and presented: 10 November 2021 27 April 2022
<b>Annual Report</b> Annual report under sections 98 and 99 of the Act containing a report of operations and audited financial performance statements	✓ Annual Report presented at a meeting of Council in accordance with section 100 of the Act Council Meeting: 10 November 2021
<b>Councillor Code of Conduct</b> Code setting out the standards of conduct to be followed by Councillors and other matters	✓ Code of Conduct reviewed and adopted in accordance with section 139 of the Act Date reviewed: 10 March 2021
<b>Delegations</b> documents 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 11(7) of the Act Date of review: 23 February 2022
<b>Meeting Procedures</b> Governance Rules governing the conduct of meetings of Council and delegated committees	✓ Governance Rules adopted in accordance with section 60 of the Act Date adopted: 26 August 2020

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



**Dom Testoni**  
**Chief Executive Officer**  
26 October 2022



**Cr Bernie Hearn**  
**Mayor**  
26 October 2022

# PERFORMANCE STATEMENT

For the year ended 30 June 2022



## Overview of 2022

During the financial year the council income totalled \$39.3 million and expenditure \$34.449 million resulting in a surplus of \$4.851 million. Delivered of services was impacted by COVID compliance regulations. The reopening of many facilities and services was staged throughout the year. Council also experienced supply issues for labour, materials and services which was consistent with issues experienced by many across Victoria during the year. Capital Works for the year totalled \$6.525 million. The delivery of these works was across major asset types of Infrastructure \$5.748 million, Plant and Equipment \$601,000 and Property \$176,000.

A storm event in January 2022 caused significant damage to civil infrastructure resulting in significant impairment of Council assets. Unbudgeted works associated with this storm event totalled \$1.6 million during the year. Future repairs works are estimated to cost \$15 million, however, Council is eligible for assistance under the State Government's funding assistance scheme.

On 30 June 2022, after more than 35 years of service provision, the Council transitioned out of the provision of aged and disability services. Staff entitlements, including applicable redundancy payments, totalled some \$1 million.

## Description of municipality

The Benalla Rural City Council (the Council) is situated 193 kilometres north east of Melbourne. It includes the eight rural townships of Benalla, Baddaginnie, Devenish, Goorambat, Swanpool, Thoona, Tatong and Winton. Benalla Rural City is renowned for its beautiful and picturesque rural landscape and welcoming rural towns. Benalla's features include a central lake, Botanical Gardens and Riverine Parklands, walking paths and an attractive and vibrant town centre. Key industries include manufacturing, agriculture, retail and construction. The council covers an area of 235,059 hectares and has a population of 14,131.

## Sustainable Capacity Indicators

For the year ended 30 June 2022

Indicator / Measure	Results				Material Variations
	2019	2020	2021	2022	
POPULATION					
Expenses per head of municipal population <i>[Total expenses / Municipal population]</i>	\$2,239	\$2,808	\$2,285	\$2,438	The result for this measure has increased due to a large revaluation of Infrastructure assets of \$29.393 million.
Infrastructure per head of municipal population <i>[Value of infrastructure / Municipal population]</i>	\$15,828	\$15,345	\$15,316	\$17,312	
Population density per length of road <i>[Municipal population / Kilometres of local roads]</i>	10	10	10	10	
OWN-SOURCE REVENUE					
Own-source revenue per head of municipal population <i>[Own-source revenue / Municipal population]</i>	\$1,628	\$1,688	\$1,691	\$1,744	
RECURRENT GRANTS					
Recurrent grants per head of municipal population <i>[Recurrent grants / Municipal population]</i>	\$508	\$531	\$558	\$656	The result for this measure has increased due to the early receipt of 75% of the 2022/23 Financial Assistance Grants.
DISADVANTAGE					
Relative socio-economic disadvantage <i>[Index of Relative Socio-economic Disadvantage by decile]</i>	2	2	2	2	No material variation.
WORKFORCE TURNOVER					
Percentage of staff turnover <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>	10%	7.5%	12%	8.5%	The result for this measure has decreased due to less staff resignations and terminations occurring in 2021/22.

## Sustainable Capacity Indicators

For the year ended 30 June 2022

### Definitions

*"adjusted underlying revenue"* means total income other than:

- a. non-recurrent grants used to fund capital expenditure; and
- b. non-monetary asset contributions; and
- c. contributions to fund capital expenditure from sources other than those referred to above.

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

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

*"population"* means the resident population estimated by council.

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

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

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

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

## Service Performance Indicators

For the year ended 30 June 2022

Service / Indicator / Measure	Results				Material Variations
	2019	2020	2021	2022	
AQUATIC FACILITIES					
Utilisation					
Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	7	5	2	4	The result for this measure has increased due to the facility reopening after the easing of COVID-19 restrictions.
ANIMAL MANAGEMENT					
Health and safety					
Animal management prosecutions <i>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100]</i>	New in 2020	0%	100%	60%	The result for this measure has decreased due to the reduction of successful animal prosecutions in 2022.
FOOD SAFETY					
Health and safety					
Critical and major non-compliance notifications <i>[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100</i>	0%	100%	0%	0%	No critical and major non-compliance outcome notifications for 2022.
GOVERNANCE					
Satisfaction					
Satisfaction with council decisions <i>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</i>	56	54	57	48	The result for this measure has decreased due to negative publicity regarding key Council projects.
LIBRARIES					
Participation					
Active library borrowers in municipality <i>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</i>	18%	17%	15%	13%	The results for this measure have decreased due to reduced patronage and usage across the Library industry since the COVID-19 pandemic started in 2020. Public Libraries Victoria have launched the campaign “Return Yourself to the Library” to address the issue.

## Service Performance Indicators

For the year ended 30 June 2022

Service / Indicator / Measure	Results				Material Variations
	2019	2020	2021	2022	
MATERNAL AND CHILD HEALTH					
Participation					
Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	80%	79%	78%	88%	The result for this measure has increased due to expanded staffing levels, improved coordination and promotion of the Maternal Child Health service.
Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	89%	76%	75%	89%	The result for this measure has increased due to expanded staffing levels, improved coordination and promotion of the Maternal Child Health service and increased focus of Enhanced Maternal Child Health service.
ROADS					
Satisfaction					
Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	54	49	53	45	The result for this measure has decreased due to the January Storm Event in 2022, which caused significant damage to both sealed and unsealed roads within the municipality.
STATUTORY PLANNING					
Decision making					
Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	0%	50%	0%	33.33%	Three decisions taken to VCAT in 2021/22 which resulted in one matter being affirmed and two matters being set aside.
WASTE COLLECTION					
Waste diversion					
Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	61%	61%	61%	60%	No material variation.

## Service Performance Indicators

For the year ended 30 June 2022

### 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 section 98 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.

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

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

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

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

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

Council has utilised the March 2022 Australian Bureau of Statistics release of population estimate.

## Financial Performance Indicators

For the year ended 30 June 2022

Dimension / Indicator / Measure	RESULTS			FORECAST					Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
EFFICIENCY									
Expenditure level									
Expenses per property assessment <i>[Total expenses / Number of property assessments]</i>	\$3,924	\$4,874	\$3,995	\$4,219	\$4,264	\$4,250	\$4,371	\$4,478	
Revenue level <sup>1</sup>									
Average rate per property assessment <i>General rates and Municipal charges / Number of property assessments]</i>	New in 2020	\$1,850	\$1,913	\$1,951	\$1,959	\$2,003	\$2,053	\$2,104	
LIQUIDITY									
Working capital									
Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>	215%	187%	203%	198%	167%	215%	247%	233%	
Unrestricted cash									
Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	51%	63%	26%	52%	127%	164%	197%	189%	The result for this measure has increased due to higher cash balances namely the 75% early payment of the 2022/23 Financial Assistance Grants.

## Financial Performance Indicators

For the year ended 30 June 2022

Dimension / Indicator / Measure	RESULTS			FORECAST					Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
OBLIGATIONS									
Loans and borrowings									
Loans and borrowings compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	27%	21%	26%	19%	14%	10%	12%	10%	The result for this measure has decreased as a result of existing principal repayments of \$1.117 million. No new borrowings have been undertaken.
Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	6%	5%	5%	6%	5%	3%	2%	3%	The result for this measure has increased due to principal repayments increasing by \$0.140 million to \$1.117 million.
Indebtedness									
Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	54%	52%	50%	59%	39%	42%	47%	40%	The result for this measure has increased due to increase in Landfill Provision \$3.4 million offset by greater concentration of own source revenue including Operating Grants \$1.020 million and Rates and Charges \$951,000 and User Fees \$709,000.
Asset renewal and upgrade									
Asset renewal and upgrade compared to depreciation <i>[Asset renewal and upgrade expense / Asset depreciation] x100</i>	New in 2020	51%	40%	47%	175%	44%	49%	63%	The result for this measure has increased due to an increase in the renewal and upgrade capital works spend.

## Financial Performance Indicators

For the year ended 30 June 2022

Dimension / Indicator / Measure	RESULTS			FORECAST					Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
OPERATING POSITION									
Adjusted underlying result									
Adjusted underlying surplus (or deficit)	-0.19%	-21%	7%	6%	-17%	-4%	-4%	-3%	
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									
STABILITY									
Rates concentration									
Rates compared to adjusted underlying revenue	56%	57%	55%	55%	69%	63%	63%	63%	
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
Rates compared to property values	0.66%	0.63%	0.62%	0.59%	0.46%	0.45%	0.45%	0.44%	
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

## Financial Performance Indicators

For the year ended 30 June 2022

Retired measures	Results			Comments
	2018	2019	2020	
ANIMAL MANAGEMENT				
Health and safety				
Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	0	0	Retired in 2020	This measure was replaced by Animal management prosecutions (%) for 2020.
EFFICIENCY				
Revenue level				
Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>	\$1,700	\$1,821	Retired in 2020	This measure was replaced by Average rate per property assessment for 2020.
OBLIGATIONS				
Asset renewal				
Asset renewal compared to depreciation <i>[Asset renewal expense / Asset depreciation] x100</i>	45%	32%	Retired in 2020	This measure was replaced by Asset renewal and upgrade compared to depreciation for 2020.

## Financial Performance Indicators

For the year ended 30 June 2022

### Definitions

*“adjusted underlying revenue”* means total income other than:

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

*“adjusted underlying surplus (or deficit)”* means adjusted underlying revenue less total expenditure

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

*“current assets”* has the same meaning as in the AAS

*“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)

Council has utilised the March 2022 Australian Bureau of Statistics release of population estimate

*“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 2022

### 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 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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

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

The forecast figures included in the performance statement are those adopted by council in its financial plan on 29 June 2022 and which forms part of the council plan. The financial 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 financial plan can be obtained by contacting council.

# CERTIFICATION OF THE PERFORMANCE STATEMENT

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



Catherine Fitzpatrick, CPA  
**Principal Accounting Officer**  
**Dated:** 28 September 2022

In our opinion, the accompanying performance statement of the Benalla Rural City Council for the year ended 30 June 2022 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020* (as per the transitional provisions of the *Local Government Act 2020*).

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

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

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



Cr Bernie Hearn  
**Mayor**  
**Dated:** 28 September 2022



Cr Justin King  
**Councillor**  
**Dated:** 28 September 2022



Dom Testoni  
**Chief Executive Officer**  
**Dated:** 28 September 2022



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# FINANCIAL REPORT

For the year ended 30 June 2022



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4.9 Other expenses	100		

## Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.

Catherine Fitzpatrick, CPA  
**Principal Accounting Officer**

**Date :** <Date>  
Benalla

In our opinion, the accompanying financial statements present fairly the financial transactions of the Benalla Rural City Council for the year ended 30 June 2022 and the financial position of the Council as at that date.

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

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

Bernie Hearn  
**Councillor**  
**Date :** <Date>  
Benalla

Justin King  
**Councillor**  
**Date :** <Date>  
Benalla

Dom Testoni  
**Chief Executive Officer**  
**Date :** <Date>  
Benalla





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## Comprehensive Income Statement For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Rates and charges	3.1	19,978	19,027
Statutory fees and fines	3.2	731	546
User fees	3.3	3,831	3,122
Grants - operating	3.4	10,401	9,400
Grants - capital	3.4	3,720	3,940
Contributions - monetary	3.5	391	373
Contributions - non monetary	3.5	139	146
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(71)	(99)
Other income	3.7	180	134
<b>Total income</b>		<b>39,300</b>	<b>36,589</b>
<b>Expenses</b>			
Employee costs	4.1	13,889	12,806
Materials and services	4.2	12,947	11,087
Depreciation	4.3	6,039	6,419
Amortisation - intangible assets	4.4	253	387
Amortisation - right of use assets	4.5	366	402
Bad and doubtful debts	4.6	21	14
Borrowing costs	4.7	92	92
Finance costs - leases	4.8	31	31
Other expenses	4.9	811	(118)
<b>Total expenses</b>		<b>34,449</b>	<b>31,120</b>
<b>Surplus for the year</b>		<b>4,851</b>	<b>5,469</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment	6.1	35,128	8,326
<b>Total other comprehensive income</b>		<b>35,128</b>	<b>8,326</b>
<b>Total comprehensive result</b>		<b>39,979</b>	<b>13,795</b>

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

## Balance Sheet As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1(a)	17,782	12,412
Trade and other receivables	5.1(c)	3,681	2,065
Other financial assets	5.1(b)	12,209	12,208
Inventories	5.2(a)	27	34
Other assets	5.2(b)	154	171
<b>Total current assets</b>		<b>33,853</b>	<b>26,890</b>
<b>Non-current assets</b>			
Property, infrastructure, plant and equipment	6.1	292,166	262,317
Right-of-use assets	5.8	548	461
Intangible assets	5.2(c)	3,936	289
<b>Total non-current assets</b>		<b>296,650</b>	<b>263,067</b>
<b>Total assets</b>		<b>330,503</b>	<b>289,957</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3(a)	4,780	1,993
Trust funds and deposits	5.3(b)	1,053	839
Unearned income/revenue	5.3(c)	5,030	4,823
Provisions	5.5	4,987	4,233
Interest-bearing liabilities	5.4	977	1,107
Lease liabilities	5.8	270	277
<b>Total current liabilities</b>		<b>17,097</b>	<b>13,272</b>
<b>Non-current liabilities</b>			
Provisions	5.5	11,337	7,968
Interest-bearing liabilities	5.4	2,809	3,796
Lease liabilities	5.8	292	197
<b>Total non-current liabilities</b>		<b>14,438</b>	<b>11,961</b>
<b>Total liabilities</b>		<b>31,535</b>	<b>25,233</b>
<b>Net assets</b>		<b>298,968</b>	<b>264,724</b>
<b>Equity</b>			
Accumulated surplus		147,908	143,206
Reserves	9.1	151,060	121,518

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

Statement of Changes in Equity  
For the Year Ended 30 June 2022

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2022</b>					
Balance at beginning of the financial year		264,724	143,206	120,706	812
Surplus for the year		4,851	4,851	-	-
Net asset revaluation increment	6.1	35,128	-	35,128	-
Impairment losses recognised with in revaluation reserve	6.1	(5,735)	-	(5,735)	-
Transfers to other reserves	9.1(b)	-	(149)	-	149
<b>Balance at end of the financial year</b>		<b>298,968</b>	<b>147,908</b>	<b>150,099</b>	<b>961</b>

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2021</b>					
Balance at beginning of the financial year		249,551	136,442	112,380	729
Recognition of found assets property and infrastructure	8.6	1,378	1,378	-	-
Adjusted opening balance		250,929	137,820	112,380	729
Surplus for the year		5,469	5,469	-	-
Net asset revaluation increment	9.1(a)	8,326	-	8,326	-
Transfers to other reserves	9.1(b)	-	(83)	-	83
<b>Balance at end of the financial year</b>		<b>264,724</b>	<b>143,206</b>	<b>120,706</b>	<b>812</b>

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

## Statement of Cash Flows For the Year Ended 30 June 2022

	Note	2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		20,122	18,982
Statutory fees and fines		731	546
User fees		3,831	4,302
Grants - operating		9,341	8,853
Grants - capital		3,371	8,048
Contributions - monetary		391	373
Interest received		57	30
Net GST refund / (payment)		936	1,005
Employee costs		(14,066)	(12,656)
Materials and services		(12,651)	(12,342)
Short-term, low value and variable lease payments		(127)	(250)
Receipts from other Income		270	(285)
Trust funds and deposits repaid		214	(50)
Other payments		(392)	(345)
<b>Net cash provided by/(used in) operating activities</b>	9.2	<b>13,519</b>	<b>16,211</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	6.1	(6,523)	(5,966)
Payments for investments		(20)	(7,882)
Payments for sale of investments		(1)	-
Payments of loans and advances		-	(2)
<b>Net cash provided by/(used in) investing activities</b>		<b>(6,544)</b>	<b>(13,850)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(92)	(92)
Proceeds from borrowings		-	1,900
Repayment of borrowings		(1,117)	(897)
Interest paid - lease liability		(31)	(31)
ROU Asset - Principal Repayments		(365)	(406)
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,605)</b>	<b>474</b>
Net increase (decrease) in cash and cash equivalents		5,370	2,835
Cash and cash equivalents at the beginning of the financial year		12,412	9,577
<b>Cash and cash equivalents at the end of the financial year</b>		<b>17,782</b>	<b>12,412</b>
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

### Statement of Capital Works For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Property</b>			
Buildings		173	1,192
Building improvements		3	-
<b>Total buildings</b>		<u>176</u>	<u>1,192</u>
<b>Total property</b>		<u>176</u>	<u>1,192</u>
<b>Plant and equipment</b>			
Plant, machinery and equipment		312	820
Fixtures, fittings and furniture		190	46
Computers and telecommunications		10	390
Library books		89	85
<b>Total plant and equipment</b>		<u>601</u>	<u>1,341</u>
<b>Infrastructure</b>			
Roads		2,655	1,450
Footpaths and cycleways		75	216
Drainage		140	11
Waste management		2,054	1,053
Parks, open space and streetscapes		331	524
Off street car parks		352	175
Other infrastructure		141	5
<b>Total infrastructure</b>		<u>5,748</u>	<u>3,434</u>
<b>Total capital works expenditure</b>		<u>6,525</u>	<u>5,967</u>
<b>Represented by:</b>			
New asset expenditure		3,716	3,212
Asset renewal expenditure		1,720	1,880
Asset expansion expenditure		-	181
Asset upgrade expenditure		1,088	694
<b>Total capital works expenditure</b>		<u>6,525</u>	<u>5,967</u>

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

## Note 1 OVERVIEW

### Introduction

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

### Statement of compliance

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

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

### Significant accounting policies

#### (a) Basis of accounting

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

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

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.

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgements

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

#### (b) Impact of Covid-19

During 2021-22 the COVID-19 pandemic continued to impact on Council's operations. Council has noted the following significant impacts on its financial operations:

- Additional revenue – add details of grant funding received:

Working For Victoria Grant Funding \$0.265 million

Local Roads and Community Infrastructure Grant Agreement Phase 1 and 2 \$0.618 million

COVID-19 community activation and social isolation initiative \$4,250

- Revenue reductions – user fees associated with facilities which have been required to close at times such as Benalla Aerodrome, Benalla Art Gallery, Cinema and Library facility.

- Revenue foregone – the Council adopted COVID-19 Financial Hardship Policy throughout 2021/21 has reduced revenue from local law fines during period and nil interest charges on unpaid rates and charges during the pandemic where ratepayers register for ongoing assistance.

- Additional costs – which relate to grant funding \$0.636 million in various areas including employee costs and materials and services.

**Note 2.1 Performance against budget**

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$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.

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

**2.1.1 Income and expenditure**

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
<b>Income</b>					
Rates and charges	19,575	19,978	403	2%	1
Statutory fees and fines	493	731	238	48%	2
User fees	4,196	3,831	(365)	-9%	3
Grants - operating	4,737	10,401	5,664	120%	4
Grants - capital	7,324	3,720	(3,604)	-49%	5
Contributions - monetary	95	391	296	312%	6
Contributions - non monetary	-	139	139	0%	7
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	25	(71)	(96)	-384%	8
Other income	74	180	106	143%	9
<b>Total income</b>	<b>36,519</b>	<b>39,300</b>	<b>2,781</b>	<b>8%</b>	
<b>Expenses</b>					
Employee costs	13,627	13,889	(262)	-2%	10
Materials and services	12,838	12,947	(109)	-1%	11
Depreciation	6,586	6,039	547	8%	12
Amortisation - intangible assets	575	253	322	56%	13
Amortisation - right of use assets	360	366	(6)	-2%	
Bad and doubtful debts	15	21	(6)	-40%	14
Borrowing costs	111	92	19	17%	15
Finance costs - leases	34	31	3	9%	
Other expenses	420	811	(391)	-93%	16
<b>Total expenses</b>	<b>34,566</b>	<b>34,449</b>	<b>117</b>	<b>0%</b>	
<b>Surplus/(deficit) for the year</b>	<b>1,953</b>	<b>4,851</b>	<b>2,898</b>	<b>148%</b>	

**(i) Explanation of material variations**

Variance Ref	Item	Explanation
1	Rates and charges	Increases in rates and charges includes supplementary rates raised \$203,000. Additional revenue in lieu of rates \$230,000. No interest income for year on outstanding rates.
2	Statutory fees and fines	Significantly higher Planning fees \$137,937; Environmental Health fees \$41,254; Building fees \$23,739; Certificate charges \$21,802; and Compliance fines \$7,003.

(i) Explanation of material variations (cont.)

3	User Fees	\$1.5m of internal user fees between different Council functions have been eliminated from user fee revenue and materials and services expenses, with these internal charges not having been eliminated within the budget balances. If the eliminated internal user fees were added back into current year balances this would reflect a \$1.1m increase from the budgeted balance. After enforced closures several services fees were lower due in part to the timing of services being accessible to public. Additional income was from Benalla Performing Arts and Convention Centre operations \$101,811; Benalla Art Gallery operations \$67,036 and Statutory Planning Fees \$56,000.
4	Grants - operating	Additional \$3.468 million in recurrent operational income (Financial Assistance Grants) representing a 75% advancement of 2022/23 financial year grant received in June 2022. Additional income associated with the 28-30 January 2022 storm event \$946,512; Benalla Economic Diversification Plan \$250,000; Working for Victoria Grant \$175,034; Benalla Urban Growth Plan Project \$119,600; Business Development Projects \$90,000; Transfer Station Upgrade fund \$80,000; and glass collection service planning \$21,222. Additional Aged Care acquittal funds 20/21 \$185,753; additional 21/22 Aged Care funding \$62,536; Youth Programs \$71,651; and Maternal and Child Health programs \$43,612.
5	Grants - capital	Reduced grant income due to delays in 21/22 Capital Works program: Art Gallery Off-Site Storage Facility \$1.1 million and Benalla Art Gallery Redevelopment \$1.4 million. Benalla Visitor Information Centre Redevelopment \$0.955 million and Local Road and Community Infrastructure Fund \$0.814 million. Additional income associated with the 28-30 January 2022 Storm Event \$0.669 million.
6	Contributions - monetary	Contributions received towards community projects \$217,400 and contributions Public Open space \$79,600.
7	Contributions - non monetary	Recognition of Volunteer Services \$96,000, donation of items to the Benalla Art Gallery collection \$43,000.
8	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	No income generated from sale of major plant and machinery, property improvements, costs associated with disposal of infrastructure assets as part of renewal works.
9	Other income	Favourable return on investments due to increased cash held \$26,000 and higher investment rates, reimbursement of COVID-19 Testing Site expenses from October 2021 to December 2021 \$25,241 and other reimbursements such as insurance \$54,000.
10	Employee costs	Increase employee costs associated with grant funded projects, primarily Working for Victoria - 26 positions \$0.262 million.
11	Materials and services	\$1.5m of internal internal user fees between different Council functions have been eliminated from user fee revenue and materials and services expenses, with these internal charges not having been eliminated within the budget balances. If the eliminated materials and services were added back into current year balances this would reflect a \$1.1m increase from the budgeted balance. Increased materials costs associated with the 28 - 30 January 2022 Storm Event \$946,512 and Emergency Events \$91,865 required additional materials, contract payments and contract staff, this was offset by reduced maintenance operating costs due to closures and reduced access to operating areas. Increased fees collected at Landfill requiring payment of EPA Levy \$400,614, additional Environmental Grant funded Projects \$123,650, additional merchandise items Benalla Art Gallery \$27,000.
12	Depreciation	Reduced depreciation charges \$0.547 million as community building and infrastructure projects not finalised in prior year.
13	Amortisation - intangible assets	Reduced amortisation expense as Cell 2 airspace fully amortised in 21/22 and Cell 3 airspace yet to be used.
14	Bad and doubtful debts	Increased bad debts as a result of closure of Aged Care and Disability services at 30 June 2022.
15	Borrowing Costs	Reduced borrowing costs due to decreases in variable interest rates.
16	Other expenses	Increased rehabilitation costs in Landfill provision additional expense \$0.328 million due to revised inflation and discount rates.

## 2.1.2 Capital works

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
<b>Property</b>					
Buildings	4,454	176	(4,278)	-96%	1
<b>Total buildings</b>	4,454	176	(4,278)	-96%	
<b>Total property</b>	4,454	176	(4,278)	-96%	
<b>Plant and equipment</b>					
Plant, machinery and equipment	285	312	27	9%	2
Fixtures, fittings and furniture	275	190	(85)	-31%	3
Computers and telecommunications	200	10	(190)	-95%	4
Library books	96	89	(7)	-7%	5
<b>Total plant and equipment</b>	856	601	(255)	-30%	
<b>Infrastructure</b>					
Roads	2,140	2,655	515	24%	6
Footpaths and cycleways	198	75	(123)	-62%	7
Drainage	1,144	140	(1,004)	-88%	8
Waste management	3,510	2,054	(1,456)	-41%	9
Parks, open space and streetscapes	611	331	(280)	-46%	10
Off street car parks	296	352	56	19%	11
Other infrastructure	180	141	(39)	-22%	12
<b>Total infrastructure</b>	8,079	5,748	(2,331)	-29%	
<b>Total capital works expenditure</b>	13,389	6,525	(6,864)	-51%	
<b>Represented by:</b>					
New asset expenditure	5,902	3,716	(2,186)	-37%	
Asset renewal expenditure	4,136	1,720	(2,416)	-58%	
Asset upgrade expenditure	3,351	1,088	(2,262)	-68%	
<b>Total capital works expenditure</b>	13,389	6,525	(6,864)	-51%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Art Gallery Off-Site Storage Facility \$1.1 million and Art Gallery Redevelopment \$1.4 million projects - planning and community consultation in 2021/22. Benalla Visitor Information Centre Redevelopment Building commenced June 2022 \$1.9 million.
2	Plant, machinery and equipment	Major plant - water truck price increase due to COVID-19 supply issues.
3	Fixtures, fittings and furniture	Grant funding received Victorian State Government Outdoor Activation for Denny Street Carpark improvements \$90,000 community engagement on project location will delay delivery until 22/23.
4	Computers and telecommunications	Delays experienced in delivery of IT items due to COVID-19 supply chain issues.
5	Library books	Council's contribution towards Alpine Regional Library Hub Book Stock is based on regional population figures. Actual required contribution was less than budgeted.
6	Roads	Unbudgeted road works due to Storm Event January 2022 \$0.669 million.
7	Footpaths and cycleways	Delayed program delivery due to unavailability of contractors.
8	Drainage	Local Road and Community Infrastructure Fund (Australian Government) - Phase 2 Drainage delayed program \$1.1 million delivery due to unavailability of contractors. Cowan Street Basin commenced in May 2022 to be finalised 2022/23.
9	Waste management	Approval for Cell 3 construction program delayed until 2022. Landfill Rehabilitation \$1.2 million delayed until 2022/23.
10	Parks, open space and streetscapes	Additional grant funding received Lakeside Precinct Building Works Package (Australian Government) - Interpretive Trail/Sculptures undertaken community consultation in 2021/22 project to finalise \$120,000 in 2022/23. Streetscape Upgrade Bridge Street Project is incorporate in Other Infrastructure.
11	Off street car parks	Grant funding received Lakeside Precinct Building Works Package (Australian Government) - Mair Street Car Park Stage 2 additional works undertaken \$84,432.
12	Other infrastructure	Streetscape Upgrade Bridge Street, Benalla \$300,000 delayed until 2022/23 as community engagement continues. This is offset by the Streetscape Upgrade Bridge Street Project which has been included within actual balances for this category, but was included within Parks, open space and streetscapes within the budget balances.

## Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Chief Executive Officer Division

Corporate Division

### 1 Chief Executive Officer Division

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

### 2 Corporate Division

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

## Summary of income, expenses, assets and capital expenses by program

	Income	Expenses	Surplus	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>					
Chief Executive Officer Division	18	709	(691)	-	-
Corporate Division	39,282	33,740	5,542	14,121	330,503
	39,300	34,449	4,851	14,121	330,503
	Income	Expenses	Surplus	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021</b>					
Chief Executive Officer Division	1,057	1,526	(469)	1,012	-
Corporate Division	35,532	29,594	5,938	12,328	289,957
	36,589	31,120	5,469	13,340	289,957

Note 3 Funding for the delivery of our services	2022	2021
3.1 Rates and charges	\$'000	\$'000

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

The valuation base used to calculate general rates for 2021/22 was \$3.669 billion (2020/21 \$3.083 billion).

General rates	13,736	13,371
Municipal charge	1,987	1,954
Waste management charge	3,730	3,525
Cultural and Recreational Properties	20	20
Supplementary rates and rate adjustments	203	143
Interest on rates and charges	56	-
Revenue in lieu of rates	246	14
<b>Total rates and charges</b>	<b>19,978</b>	<b>19,027</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2022, and the valuation will be first applied in the rating year commencing 1 January 2022.

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.

Cultural and Recreational Properties are excluded from Rates cap.

### 3.2 Statutory fees and fines

Infringements and costs	28	13
Court recoveries	6	-
Town planning fees	364	218
Land information certificates	22	19
Permits	311	295
<b>Total statutory fees and fines</b>	<b>731</b>	<b>546</b>

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

### 3.3 User fees

Aged and health services	478	621
Leisure centre and recreation	415	230
Children and Youth	-	1
Parking	23	27
Registration and other permits	273	288
Building services	9	15
Waste management services	2,423	1,710
Operations	94	139
Other fees and charges	116	91
<b>Total user fees</b>	<b>3,831</b>	<b>3,122</b>
<b>User fees by timing of revenue recognition</b>		
User fees recognised at a point in time	3,831	3,122
<b>Total user fees</b>	<b>3,831</b>	<b>3,122</b>

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

### 3.4 Funding from other levels of government

Grants were received in respect of the following :

#### Summary of grants

Commonwealth funded grants	8,339	7,603
State funded grants	5,782	5,736
<b>Total grants received</b>	<b>14,121</b>	<b>13,339</b>

## 3.4 Funding from other levels of government (cont.)

	2022 \$'000	2021 \$'000
<b>(a) Operating Grants</b>		
<i><b>Recurrent - Commonwealth Government</b></i>		
Financial Assistance Grants	5,725	4,370
General home care	907	716
<i><b>Recurrent - State Government</b></i>		
Aged care	331	201
School crossing supervisors	74	59
Libraries	159	153
Maternal and child health	364	490
Creative Arts Victoria	105	105
Youth Programs & Family Support	585	667
Fire Services Property Levy Administrative Support Funding	-	45
Emergency Resourcing	73	113
<b>Total recurrent operating grants</b>	<b>8,323</b>	<b>6,919</b>
<i><b>Non-recurrent - Commonwealth Government</b></i>		
Drought Communities Funding	-	410
Environmental planning	-	141
Paid Parental Leave	84	29
COVID-19 Emergency Support	-	50
Local Road and Community Infrastructure	30	35
<i><b>Non-recurrent - State Government</b></i>		
Environmental Projects	162	404
Youth Programs & Family Support	37	327
Planning Projects	120	62
Maternal Child Health	-	17
Economic Development	606	834
Building Surveyors Program	75	75
COVID-19 Support	-	15
Art Gallery Consultation Funding	-	45
Natural Disaster Claim	959	-
Other	6	37
<b>Total non-recurrent operating grants</b>	<b>2,078</b>	<b>2,481</b>
<b>Total operating grants</b>	<b>10,401</b>	<b>9,400</b>
<b>(b) Capital Grants</b>		
<i><b>Recurrent - Commonwealth Government</b></i>		
Roads to recovery	975	975
<b>Total recurrent capital grants</b>	<b>975</b>	<b>975</b>
<i><b>Non-recurrent - Commonwealth Government</b></i>		
Drought Communities Funding	-	480
Local Road and Community Infrastructure	618	398
<i><b>Non-recurrent - State Government</b></i>		
Regional Jobs and Infrastructure - Visitor Information Centre	-	75
Sustainability Victoria - Transfer Station	-	325
Sustainability Victoria - E-Waste Shed	-	100
Department of Health & Human Services - Arundel Street Sport Precinct Upgrade	-	488
Department of Jobs, Precincts and Regions - Benalla Splash Park	-	380
Benalla Foreshore Funding	856	619
Rural ICT Support Package	-	100
Department of Treasury & Finance - NDF	668	-
Department of Jobs, Precincts and Regions - AGRI Links	356	-
Department of Jobs, Precincts and Regions - Outdoor Activation Plan	87	-
Department of Jobs, Precincts and Regions - Outdoor Eating & Entertainment	160	-
<b>Total non-recurrent capital grants</b>	<b>2,745</b>	<b>2,965</b>
<b>Total capital grants</b>	<b>3,720</b>	<b>3,940</b>

### 3.4 Funding from other levels of government (cont.)

	2022 \$'000	2021 \$'000
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
<i>Operating</i>		
Balance at start of year	259	806
Received during the financial year and remained unspent at balance date	158	259
Received in prior years and spent during the financial year	(259)	(806)
Balance at year end	<u>158</u>	<u>259</u>
<i>Capital</i>		
Balance at start of year	4,546	437
Received during the financial year and remained unspent at balance date	1,972	4,546
Received in prior years and spent during the financial year	(1,652)	(437)
Balance at year end	<u>4,866</u>	<u>4,546</u>

#### (d) Recognition of grant income

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

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

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

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

#### Income recognised under AASB 1058 *Income for Not-for-Profit Entities*

General purpose	5,834	4,479
Specific purpose grants to acquire non-financial assets	3,720	3,940
Other specific purpose grants	2,953	3,575

#### Revenue recognised under AASB 15 *Revenue from Contracts with Customers*

Specific purpose grants	1,614	1,345
	<u>14,121</u>	<u>13,339</u>

### 3.5 Contributions

Monetary	391	373
Non-monetary	139	146
<b>Total contributions</b>	<u>530</u>	<u>519</u>

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

Art Collection	43	54
Recognition of Volunteer Services	96	92
<b>Total non-monetary contributions</b>	<u>139</u>	<u>146</u>

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

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

Written down value of assets disposed	(71)	(99)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<u>(71)</u>	<u>(99)</u>

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

	2022 \$'000	2021 \$'000
<b>3.7 Other income</b>		
Interest	57	30
Other	123	104
<b>Total other income</b>	<b>180</b>	<b>134</b>

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

#### Note 4 The cost of delivering services

##### 4.1 (a) Employee costs

Wages and salaries	12,396	11,371
WorkCover	321	357
Superannuation	1,129	1,031
Fringe benefits tax	43	47
<b>Total employee costs</b>	<b>13,889</b>	<b>12,806</b>

##### (b) Superannuation

Council made contributions to the following funds:

##### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	46	59
	<b>46</b>	<b>59</b>
Employer contributions payable at reporting date.	-	-

##### Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	522	484
Employer contributions - Hesta Superannuation Fund	73	69
Employer contributions - Australian Superannuation Fund	65	54
Employer contributions - VicSuper Superannuation Fund	40	35
Employer contributions - REST Superannuation Fund	35	40
Employer contributions - Hostplus Superannuation Fund	29	28
Employer contributions - other funds	319	262
	<b>1,083</b>	<b>972</b>
Employer contributions payable at reporting date.	79	120

Refer to note 9.3 for further information relating to Council's superannuation obligations.

##### 4.2 Materials and services

Contract Payments	5,548	4,915
Materials and Services	1,363	1,262
Environmental Protection Authority Levy	1,115	483
Services non contract	950	807
Vehicle Expenses	882	918
Insurance	525	504
Electricity and Utilities	476	403
Repairs and Maintenance	338	292
Contract Staff	223	152
Consultants General	236	172
Cleaning Expenses	167	199
Memberships and Subscriptions	157	151
Management Committees	136	138
Advertising and Promotion	111	70
Exhibition/Performance Costs	110	89
Legal Expenses	107	85
Training and development	105	113
Telephone	103	82
Volunteers Services	96	93
Postage	49	52
Machine Hire	26	109
Other	121	-
<b>Total materials and services</b>	<b>12,947</b>	<b>11,087</b>

Expenses are recognised as they are incurred and reported in the financial year to which they relate. Refer note 3.5 Contributions for further information relating to Volunteers Services.

	2022 \$'000	2021 \$'000
<b>4.3 Depreciation</b>		
Property	515	502
Plant and equipment	645	502
Infrastructure	4,879	5,415
<b>Total depreciation</b>	<b>6,039</b>	<b>6,419</b>

Refer to note 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

#### 4.4 Amortisation - Intangible assets

Software	30	30
Airspace at Landfill	223	357
<b>Total Amortisation - Intangible assets</b>	<b>253</b>	<b>387</b>

#### 4.5 Amortisation - Right of use assets

Vehicles	281	248
Plant, machinery and equipment	85	154
<b>Total Amortisation - Right of use assets</b>	<b>366</b>	<b>402</b>

#### 4.6 Bad and doubtful debts

Other debtors	21	14
<b>Total bad and doubtful debts</b>	<b>21</b>	<b>14</b>

#### Movement in provisions for doubtful debts

Balance at the beginning of the year	13	34
New provisions recognised during the year	32	14
Amounts already provided for and written off as uncollectible	(11)	(14)
Amounts provided for but recovered during the year	(3)	(21)
<b>Balance at end of year</b>	<b>31</b>	<b>13</b>

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

#### 4.7 Borrowing costs

Interest - Borrowings	92	92
<b>Total borrowing costs</b>	<b>92</b>	<b>92</b>

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

#### 4.8 Finance Costs - Leases

Interest - Lease Liabilities	31	31
<b>Total finance costs</b>	<b>31</b>	<b>31</b>

#### 4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	49	47
Auditors' remuneration - Internal Audit	8	10
Councillors' allowances	221	189
Contributions - Community Support and Events Street Art	113	99
Recognition of increase / (reduction) landfill rehabilitation	420	(463)
<b>Total other expenses</b>	<b>811</b>	<b>(118)</b>

## Note 5 Our financial position

	2022	2021
	\$'000	\$'000
<b>5.1 Financial assets</b>		
<b>(a) Cash and cash equivalents</b>		
Cash on hand	1	2
Cash at bank	17,781	12,410
<b>Total cash and cash equivalents</b>	<b>17,782</b>	<b>12,412</b>
<b>(b) Other financial assets</b>		
Term deposits - current	12,209	12,208
<b>Total other financial assets</b>	<b>12,209</b>	<b>12,208</b>
<b>Total financial assets</b>	<b>29,991</b>	<b>24,620</b>

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 5.3)	1,053	839
Total restricted funds	<b>1,053</b>	<b>839</b>
Total unrestricted cash and cash equivalents	<b>16,729</b>	<b>11,573</b>

**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	2,777	3,375
- unexpended grants	5,030	4,823
Total funds subject to intended allocations	<b>7,807</b>	<b>8,198</b>

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

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

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

5.1 Financial assets (cont.)

	2022 \$'000	2021 \$'000
<b>(c) Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	1,122	1,266
GST - BAS Refunds	194	(116)
Other debtors	-	10
<i>Non statutory receivables</i>		
Other debtors	2,396	919
Provision for doubtful debts - other debtors	(31)	(13)
<b>Total current trade and other receivables</b>	<b>3,681</b>	<b>2,066</b>

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

**(d) Ageing of Receivables**

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

Current (not yet due)	639	707
Past due by up to 30 days	53	119
Past due between 31 and 180 days	12	20
Past due between 181 and 365 days	31	56
Past due by more than 1 year	1	2
<b>Total trade and other receivables</b>	<b>736</b>	<b>904</b>

**(e) Ageing of individually impaired Receivables**

At balance date, other debtors representing financial assets with a nominal value of \$31,000 (2021: \$13,000) were impaired. The amount of the provision raised against these debtors was \$31,000 (2021: \$13,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	(6)
Past due between 181 and 365 days	(31)	(5)
Past due by more than 1 year	-	(2)
<b>Total trade &amp; other receivables</b>	<b>(31)</b>	<b>(13)</b>

<b>5.2 Non-financial assets</b>	<b>2022</b>	<b>2021</b>
<b>(a) Inventories</b>	<b>\$'000</b>	<b>\$'000</b>
Inventories held for distribution	27	34
<b>Total inventories</b>	<b>27</b>	<b>34</b>

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

**(b) Other assets**

Prepayments	154	170
Accrued income	-	1
<b>Total other assets</b>	<b>154</b>	<b>171</b>

**(c) Intangible assets**

Software	56	66
Landfill air space	3,880	223
<b>Total intangible assets</b>	<b>3,936</b>	<b>289</b>

	<b>Software \$'000</b>	<b>Landfill \$'000</b>	<b>Total \$'000</b>
<b>Gross carrying amount</b>			
Balance at 1 July 2021	114	1,074	1,188
Other additions	21	2,932	2,953
Balance at 30 June 2022	135	4,006	4,141
<b>Accumulated amortisation and impairment</b>			
Balance at 1 July 2021	48	851	899
Amortisation expense	31	223	254
Balance at 30 June 2022	79	1,074	1,153
Net book value at 30 June 2021	66	223	289
Net book value at 30 June 2022	<b>56</b>	<b>2,932</b>	<b>2,988</b>

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

<b>5.3 Payables, trust funds and deposits and unearned income/revenue</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Trade and other payables</b>		
<i>Non-statutory payables</i>		
Trade payables	3,441	1,661
Accrued expenses	1,339	332
<b>Total trade and other payables</b>	<b>4,780</b>	<b>1,993</b>

**(b) Trust funds and deposits**

Refundable deposits	413	328
Retention amounts	140	93
Other refundable deposits	500	418
<b>Total trust funds and deposits</b>	<b>1,053</b>	<b>839</b>

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

**Purpose and nature of items**

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

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

**(c) Unearned income/revenue**

Grants received in advance - operating	158	259
Grants received in advance - capital	4,866	4,546
Other	6	18
<b>Total unearned income/revenue</b>	<b>5,030</b>	<b>4,823</b>

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of grants received. Unearned income/revenue are derecognised and recorded as revenue when promised goods or services are transferred to the customer. Refer to note 3

5.4 Interest-bearing liabilities	2022 \$'000	2021 \$'000
<b>Current</b>		
Other borrowings - secured	977	1,107
	<b>977</b>	<b>1,107</b>
<b>Non-current</b>		
Other borrowings - secured	2,809	3,796
	<b>2,809</b>	<b>3,796</b>
<b>Total</b>	<b>3,786</b>	<b>4,903</b>

Borrowings are secured by a charge over general rates.

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

Not later than one year	977	1,107
Later than one year and not later than five years	1,885	2,474
Later than five years	924	1,321
	<b>3,786</b>	<b>4,902</b>

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

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

#### 5.5 Provisions

	Employee	Landfill restoration	Total
2022	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	3,193	9,008	12,201
Additional provisions	959	3,972	4,931
Amounts used	(912)	-	(912)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(224)	328	104
Balance at the end of the financial year	<b>3,016</b>	<b>13,308</b>	<b>16,324</b>

2021			
Balance at beginning of the financial year	3,043	9,471	12,514
Additional provisions	950	-	950
Amounts used	(775)	-	(775)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(25)	(463)	(488)
Balance at the end of the financial year	<b>3,193</b>	<b>9,008</b>	<b>12,201</b>

	2022 \$'000	2021 \$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	1,052	1,036
Long service leave	120	134
	<b>1,172</b>	<b>1,170</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Long service leave	1,585	1,746
	<b>1,585</b>	<b>1,746</b>
Total current employee provisions	<b>2,757</b>	<b>2,916</b>
<b>Non-current</b>		
Long service leave	259	277
Total non-current employee provisions	<b>259</b>	<b>277</b>
Aggregate carrying amount of employee provisions:		
Current	2,757	2,916
Non-current	259	277
Total aggregate carrying amount of employee provisions	<b>3,016</b>	<b>3,193</b>

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

## 5.5 Provisions (cont.)

*Annual leave*

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

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

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

*Long service leave*

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

Key assumptions:	<b>2022</b>	<b>2021</b>
- discount rate	3.43%	0.89%
- index rate	1.85%	2.00%

**(b) Landfill restoration**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Current	2,230	1,317
Non-current	11,078	7,691
<b>Total landfill restoration</b>	<b>13,308</b>	<b>9,008</b>

Council is obligated to restore Benalla Landfill and Resource Recovery Centre landfill site located at Old Farnley Road, Benalla 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. 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.

Key assumptions:	<b>2022</b>	<b>2021</b>
- discount rate	3.69%	0.89%
- index rate	4.3%	1.2%

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Provisions</b>		
Current - Employee provisions	2,757	2,916
Current - Landfill restoration provisions	2,230	1,317
<b>Total current provisions</b>	<b>4,987</b>	<b>4,233</b>

Non current - Employee provisions	259	277
Non-current - Landfill restoration provisions	11,078	7,691
<b>Total non - current provisions</b>	<b>11,337</b>	<b>7,968</b>

## 5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2022.

Credit card facilities	100	100
Fixed Rate Loan Facilities	3,786	4,902
<b>Total facilities</b>	<b>3,886</b>	<b>5,002</b>
Used facilities	3,835	4,964
<b>Unused facilities</b>	<b>51</b>	<b>38</b>

## 5.7 Commitments

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

### (a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>					
<b>Operating</b>					
Kerbside waste, recyclables, organics collection	1,600	1,600	-	-	3,200
Management of Aquatic Centre	850	850	4,242	850	6,792
Recycling	330	330	-	-	660
High Country Library Network	210	-	-	-	210
Organics acceptance and processing	241	241	-	-	482
Cleaning contracts for council buildings	43	-	-	-	43
Powerline Clearance, Property Service Line					
Clearance & Auditing Service	100	-	-	-	100
Animal Management	100	100	17	-	217
Insurance Broking	20	22	-	-	42
Landfill dry hire compactor	58	58	58	-	174
Landfill - Consulting and reporting	75	-	-	-	75
After Hours Call Management	12	12	24	-	48
HLCN RFID Supply, Installation & Maintenance	4	4	12	8	28
Building HVAC Maintenance	25	25	75	-	125
Food Services - Meals for delivery	10	-	-	-	10
<b>Total</b>	<b>3,678</b>	<b>3,242</b>	<b>4,428</b>	<b>858</b>	<b>12,205</b>
<b>Capital</b>					
Buildings	2,598	-	-	-	2,598
Drainage	175	-	-	-	175
<b>Total</b>	<b>2,773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,773</b>
<b>2021</b>					
<b>Operating</b>					
Kerbside waste, recyclables, organics collection	1,600	1,600	1,600	-	4,799
Management of Aquatic Centre	650	650	1,300	-	2,600
Recycling	340	340	340	-	1,020
High Country Library Network	210	210	-	-	420
Organics acceptance and processing	190	-	-	-	190
Cleaning contracts for council buildings	170	170	510	-	850
Food Services - Meals for delivery	156	-	-	-	156
Powerline Clearance, Property Service Line					
Clearance & Auditing Service	120	300	-	-	420
Animal Management	100	100	-	-	200
Building HVAC Maintenance	68	-	-	-	68
Landfill dry hire compactor	58	70	140	-	268
Landfill - Consulting and reporting	45	135	-	-	180
After Hours Call Management	12	11	-	-	23
HLCN RFID Supply, Installation & Maintenance	4	4	-	-	8
<b>Total</b>	<b>3,722</b>	<b>3,590</b>	<b>3,890</b>	<b>-</b>	<b>11,202</b>
<b>Capital</b>					
Buildings	50	-	-	-	50
Roads	425	-	-	-	425
Waste - Cell Construction / audit	1,989	-	-	-	1,989
<b>Total</b>	<b>2,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,464</b>

## 5.8 Leases

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

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

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

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

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

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

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

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

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

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

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

<b>Right-of-Use Assets</b>	Property \$'000	Vehicles \$'000	Total \$'000
Balance at 1 July 2021	423	38	461
Additions	204	249	453
Amortisation charge	(281)	(85)	(366)
Balance at 30 June 2022	<b>346</b>	<b>202</b>	<b>548</b>

<b>Lease Liabilities</b>	2022 \$'000	2021 \$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	294	340
One to five years	316	204
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	<b>610</b>	<b>544</b>

Lease liabilities included in the Balance Sheet at 30 June:

Current	270	277
Non-current	292	197
Total lease liabilities	<b>562</b>	<b>474</b>

**Short-term and low value leases**

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

**Expenses relating to:**

Short-term leases	47	149
Leases of low value assets	80	101
<b>Total</b>	<b>127</b>	<b>250</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2022**

**6.1 Property, infrastructure, plant and equipment**

**Summary of property, infrastructure, plant and equipment**

	Carrying amount 30 June 2021 *	Additions	Contributions	Revaluation	Impairment losses recognised in revaluation reserve	Depreciation	Disposal	Write-off	Transfers	Carrying amount 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	67,050	3	-	11,127	-	(515)	-	-	-	77,665
Plant and equipment	28,532	601	44	4,803	-	(645)	(57)	-	-	33,278
Infrastructure	166,010	3,514	-	19,198	(5,735)	(4,879)	(14)	(4)	290	178,380
Work in progress	724	2,408	-	-	-	-	-	-	(290)	2,842
	<b>262,317</b>	<b>6,526</b>	<b>44</b>	<b>35,128</b>	<b>(5,735)</b>	<b>(6,039)</b>	<b>(71)</b>	<b>(4)</b>	<b>-</b>	<b>292,166</b>

**Summary of Work in Progress**

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	67	173	-	-	240
Infrastructure	657	2,235	-	(290)	2,602
<b>Total</b>	<b>724</b>	<b>2,408</b>	<b>-</b>	<b>(290)</b>	<b>2,842</b>

\* Restatement of opening balances, refer note 8.6

**Notes to the Financial Report**  
**For the Year Ended 30 June 2022**

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

**(a) Property**

	Land - specialised	Land - non specialised	Land under Roads	Total Land & Land Improvements	Heritage buildings	*Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	22,909	11,626	9,875	44,410	-	39,521	4,410	43,931	67	88,408
Accumulated depreciation at 1 July 2021	-	-	-	-	-	(18,340)	(2,951)	(21,291)	-	(21,291)
	<b>22,909</b>	<b>11,626</b>	<b>9,875</b>	<b>44,410</b>	<b>-</b>	<b>21,181</b>	<b>1,459</b>	<b>22,640</b>	<b>67</b>	<b>67,117</b>
<b>Movements in fair value</b>										
Additions	-	-	-	-	-	3	-	3	173	176
Revaluation	(1,667)	612	4,172	3,117	796	13,605	1,345	15,746	-	18,863
Transfers	-	-	-	-	140	5,615	(5,755)	-	-	-
	<b>(1,667)</b>	<b>612</b>	<b>4,172</b>	<b>3,117</b>	<b>936</b>	<b>19,223</b>	<b>(4,410)</b>	<b>15,749</b>	<b>173</b>	<b>19,039</b>
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	-	-	-	-	-	(459)	(56)	(515)	-	(515)
Revaluation	-	-	-	-	(755)	(5,977)	(1,004)	(7,736)	-	(7,736)
Transfers	4,973	(4,973)	-	-	(119)	(3,892)	4,011	-	-	-
	<b>4,973</b>	<b>(4,973)</b>	<b>-</b>	<b>-</b>	<b>(874)</b>	<b>(10,328)</b>	<b>2,951</b>	<b>(8,251)</b>	<b>-</b>	<b>(8,251)</b>
At fair value 30 June 2022	21,242	12,238	14,047	47,527	936	58,744	-	59,680	240	107,447
Accumulated depreciation at 30 June 2022	4,973	(4,973)	-	-	(874)	(28,668)	-	(29,542)	-	(29,542)
Carrying amount	<b>26,215</b>	<b>7,265</b>	<b>14,047</b>	<b>47,527</b>	<b>62</b>	<b>30,076</b>	<b>-</b>	<b>30,138</b>	<b>240</b>	<b>77,905</b>

\* Restatement of opening balances, refer note 8.6

**Notes to the Financial Report  
For the Year Ended 30 June 2022**

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

**(b) Plant and Equipment**

	Art Works machinery and equipment	Plant machinery and equipment	Fixtures and fittings furniture	Computers and telecomms	Library books	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	25,382	4,117	2,019	1,211	850	33,578
Accumulated depreciation at 1 July 2021	-	(2,053)	(1,815)	(634)	(544)	(5,046)
	<b>25,382</b>	<b>2,064</b>	<b>204</b>	<b>577</b>	<b>306</b>	<b>28,532</b>
<b>Movements in fair value</b>						
Additions	-	312	190	10	89	601
Contributions	44	-	-	-	-	44
Revaluation	4,730	-	-	-	(114)	4,616
Disposal	-	(385)	(782)	-	-	(1,167)
	<b>4,774</b>	<b>(73)</b>	<b>(592)</b>	<b>10</b>	<b>(25)</b>	<b>4,094</b>
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	-	(252)	(57)	(245)	(91)	(645)
Accumulated depreciation of disposals	-	357	753	-	-	1,110
Revaluation	-	-	-	-	187	187
	-	105	696	(245)	96	652
At fair value 30 June 2022	30,156	4,044	1,427	1,221	825	37,672
Accumulated depreciation at 30 June 2022	-	(1,948)	(1,119)	(879)	(448)	(4,394)
Carrying amount	<b>30,156</b>	<b>2,096</b>	<b>308</b>	<b>342</b>	<b>377</b>	<b>33,278</b>

**Notes to the Financial Report**  
**For the Year Ended 30 June 2022**

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

**(c) Infrastructure**

	Roads	Bridges	*Footpaths and cycleways	Drainage	*Recreational, leisure and community facilities	*Waste Management	Parks open space and streetscapes	*Aerodromes	Off street car parks	Other Infrastructure	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	206,339	41,002	8,339	26,095	771	3,911	2,152	4,462	1,506	32	657	295,265
Accumulated depreciation at 1 July 2021	(79,855)	(23,161)	(4,295)	(15,586)	(339)	(2,048)	(253)	(2,361)	(688)	(12)	-	(128,598)
	<b>126,484</b>	<b>17,841</b>	<b>4,044</b>	<b>10,509</b>	<b>432</b>	<b>1,863</b>	<b>1,899</b>	<b>2,101</b>	<b>818</b>	<b>20</b>	<b>657</b>	<b>166,667</b>
<b>Movements in fair value</b>												
Additions	2,635	-	60	38	5	-	293	-	353	130	2,235	5,749
Revaluation	18,377	27,361	731	2,351	-	(23)	(141)	585	106	-	-	49,347
Disposal	-	(65)	(8)	-	-	-	-	-	-	-	-	(73)
Write-off	(4)	-	-	-	-	-	-	-	-	-	-	(4)
Transfers	(3)	-	-	37	-	-	81	-	175	-	(290)	-
	21,005	27,296	783	2,426	5	(23)	233	585	634	130	1,945	55,019
<b>Movements in accumulated depreciation</b>												
Depreciation and amortisation	(3,141)	(425)	(136)	(261)	(13)	(545)	(163)	(169)	(23)	(3)	-	(4,879)
Accumulated depreciation of disposals	-	55	4	-	-	-	-	-	-	-	-	59
Impairment losses recognised in revaluation reserve	(5,735)	-	-	-	-	-	-	-	-	-	-	(5,735)
Revaluation	(8,100)	(19,699)	(398)	(1,427)	-	2	(17)	(463)	(47)	-	-	(30,149)
	(16,976)	(20,069)	(530)	(1,688)	(13)	(543)	(180)	(632)	(70)	(3)	-	(40,704)
At fair value 30 June 2022	227,344	68,298	9,122	28,521	776	3,888	2,385	5,047	2,140	162	2,602	350,284
Accumulated depreciation at 30 June 2022	(96,831)	(43,230)	(4,825)	(17,274)	(352)	(2,591)	(433)	(2,993)	(758)	(15)	-	(169,302)
<b>Carrying amount</b>	<b>130,513</b>	<b>25,068</b>	<b>4,297</b>	<b>11,247</b>	<b>424</b>	<b>1,297</b>	<b>1,952</b>	<b>2,054</b>	<b>1,382</b>	<b>147</b>	<b>2,602</b>	<b>180,982</b>

\* Restatement of opening balances, refer note 8.6

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

### Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

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

### Land under roads

Council recognises land under roads it controls at fair value.

### Depreciation and amortisation

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

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

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

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

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

### Repairs and maintenance

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

**6.1 Property, infrastructure, plant and equipment (cont.)****Valuation of land and buildings**

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

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

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

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

	\$'000	\$'000	\$'000	
	Level 1	Level 2	Level 3	Date of Valuation
Non - specialised Land	-	7,265	-	Jun-22
Specialised land	-	-	26,215	Jun-22
Land under roads	-	-	14,047	Jun-22
Heritage Buildings	-	-	62	Jun-22
Buildings specialised	-	-	30,076	Jun-22
Total	-	7,265	70,400	

**Valuation of infrastructure**

Bridges have been revalued by external consultants Pitt and Sherry. All other valuation of infrastructure assets has been determined by the Council's Asset Management Officer. An indexed based revaluation of Infrastructure assets, was conducted in the current year, this valuation was based on the ABS Building Construction index for Roads, Footpaths and cycleway and Drainage. The dates of the current valuations are detailed in the following table.

The valuation is at fair value based on current 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 2022 are as follows:

	\$'000	\$'000	\$'000	
	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	130,513	Jun-19
Bridges	-	-	25,068	Jun-22
Footpaths and cycleways	-	-	4,297	Jun-19
Drainage	-	-	11,247	Jun-21
Recreational, leisure and community facilities	-	-	424	Jun-22
Waste management	-	-	1,297	Jun-19
Parks, open space and streetscapes	-	-	1,952	Jun-19
Aerodromes	-	-	2,054	Jun-19
Off street car parks	-	-	1,382	Jun-19
Other infrastructure	-	-	147	Jun-19
Total	-	-	178,380	

**Valuation of Art Work**

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

The standard AASB13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The assets valued in the Benalla Art Gallery Collection are considered to be level 2 in the AASB 13 Fair Value hierarchy. Briefly, level 2 is a measure of value against similar items in a similar market. Values ascribed were obtained from current market values of like items as at 30 June 2022.

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

### *Description of significant unobservable inputs into level 3 valuations*

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 20% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1,200 and \$4.4 million per hectare.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$300 to \$400,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the 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.

	2022	2021
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	14,047	9,875
Land - specialised	26,215	22,909
<b>Total specialised land</b>	<b>40,262</b>	<b>32,784</b>

	2022 No.	2021 No.
<b>Note 7 People and relationships</b>		
<b>7.1 Council and key management remuneration</b>		
<b>(a) Related Parties</b>		
<i>Parent entity</i>		
Benalla Rural City Council is the parent entity.		
<b>(b) Key Management Personnel</b>		
Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Benalla Rural City Council. The Councillors, Chief Executive Officer and General Manager are deemed KMP.		
Details of KMP at any time during the year are:		
<b>Councillors</b>		
Councillor Bernie Hearn (Mayor) (July 21 - 30 June 2022)	1	1
Councillor Justin King (July 21 - 30 June 2022)	1	1
Councillor Danny Claridge (July 21 - 30 June 2022)	1	1
Councillor Peter Davis ((July 21 - 30 June 2022)	1	1
Councillor Don Firth (Deputy Mayor) (July 21 - 30 June 2022)	1	1
Councillor Punarji Hewa Gunaratne (July 21 - 30 June 2022)	1	1
Councillor Gail O'Brien (July 21 - 30 June 2022)	1	1
Councillor Barbara Alexander AO (July 2016 - Oct 2020)	-	1
Councillor Scott Upston (Oct 2016 - Oct 2020)	-	1
Councillor Willie van Wersch (Oct 2016 - Oct 2020)	-	1
<b>Chief Executive Officer</b>	1	1
<b>General Manager</b>	1	1
Dom Testoni (Chief Executive Officer)		
Robert Barber (General Manager Corporate)		
<b>Total Number of Councillors</b>	7	10
<b>Total of Chief Executive Officer and other Key Management Personnel</b>	2	2
<b>Total Number of Key Management Personnel</b>	9	12
<b>(c) Remuneration of Key Management Personnel</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Total remuneration of key management personnel was as follows:		
Short-term benefits	620	566
Long-term benefits	11	10
Post employment benefits	39	36
<b>Total</b>	<b>670</b>	<b>612</b>
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
\$1- \$9,999	-	3
\$10,000 - \$19,999	-	3
\$20,000 - \$29,999	4	3
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$180,000 - \$189,999	-	1
\$200,000 - \$209,999	1	-
\$220,000 - \$229,999	-	1
\$230,000 - \$239,999	1	-
	9	12

## 7.1 Council and key management remuneration (cont.)

### (d) Senior Officer Remuneration

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

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

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

	2022	2021
Income Range:	No.	No.
\$151,000 - \$159,999	3	2
\$160,000 - \$169,999	2	-
\$170,000 - \$179,999	1	-
\$290,000 - \$299,999	-	1
	<u>6</u>	<u>3</u>
	2022	2021
	\$'000	\$'000
Total	965	609

## 7.2 Related party disclosure

### (a) Transactions with related parties

During the period there were no related party transactions exceeding \$5,000 - any related party transaction below \$5,000 are at arm's length and on normal commercial terms.

- -

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

15 -

### (b) Outstanding balances with related parties

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

- -

### (c) Loans to/from related parties

There are no loans to / from related parties.

- -

### (d) Commitments to/from related parties

There are no commitments to / from related parties.

- -

**Note 8 Managing uncertainties****8.1 Contingent assets and liabilities**

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

**(a) Contingent assets**

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

*Council has no contingent assets as at 30 June 2022 (2021: Nil)*

**(b) Contingent liabilities**

Contingent liabilities are:

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

**Superannuation**

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

**Bank Guarantees**

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

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

**Insurance claims**

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

**Legal matters**

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

**Liability Mutual Insurance**

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

**Building cladding**

Council should disclose any potential contingencies that may exist in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact on Council.

**8.2 Change in accounting standards**

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

**8.3 Financial instruments****(a) Objectives and policies**

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

### 8.3 Financial instruments (cont.)

#### (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 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

#### (c) Credit risk

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

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any 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 8.1(b), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

### 8.3 Financial instruments (cont.)

#### (e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.5% and -1.5% in market interest rates (AUD) from year-end rates of 0.74%.

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.

#### 8.4 Fair value measurement

##### *Fair value hierarchy*

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

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

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

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

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

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

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

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

##### *Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

##### *Impairment of assets*

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

#### 8.5 Events occurring after balance date

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

#### 8.6 Adjustments directly to equity

Following a review of the Property Assets Register and Infrastructure Asset register for the revaluation process Council identified further assets owned to the value of \$2.875 million that were not reflected in the asset registers. In 2022 these assets adjustments have been brought to account as an adjustment to the Council's accumulated surplus in the 2020-21 year.

	2021
Found Assets	\$'000
Infrastructure	1,188
Property	190
<b>Total Assets Found</b>	<b>1,378</b>

The effect of Council recognising found assets in the 2020/21 year is an increase to that year's opening balance of accumulated surplus of \$1.378 million and an increase to property, infrastructure, plant and equipment of \$1.378 million.

## Note 9 Other matters

9.1 Reserves	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserves</b>			
<b>2022</b>			
<b>Property</b>			
Land and land improvements	26,483	(1,055)	25,428
Land under Roads	2,496	4,172	6,668
Buildings	5,884	8,010	13,894
	34,863	11,127	45,990
<b>Plant and Equipment</b>			
Art Works	16,287	4,730	21,017
Library Stock	24	73	97
	16,311	4,803	21,114
<b>Infrastructure</b>			
Roads	60,454	4,542	64,996
Bridges	5,494	7,662	13,156
Drainage	1,507	924	2,431
Footpaths and cycleways	835	333	1,168
Waste management	806	(21)	785
Aerodromes	201	122	323
Parks, open space and streetscapes	235	(158)	77
Off Street Car Parks	-	59	59
	69,532	13,463	82,995
<b>Total asset revaluation reserves</b>	<b>120,706</b>	<b>29,393</b>	<b>150,099</b>
<b>2021</b>			
<b>Property</b>			
Land and land improvements	21,664	4,819	26,483
Land under Roads	617	1,879	2,496
Buildings	5,884	-	5,884
	28,165	6,698	34,863
<b>Plant and Equipment</b>			
Art Works	16,287	-	16,287
Library Stock	-	24	24
	16,287	24	16,311
<b>Infrastructure</b>			
Roads	60,357	97	60,454
Bridges	5,494	-	5,494
Footpaths and cycleways	835	-	835
Drainage	-	1,507	1,507
Waste management	806	-	806
Parks, open space and streetscapes	235	-	235
Aerodromes	201	-	201
	67,928	1,604	69,532
<b>Total asset revaluation reserves</b>	<b>112,380</b>	<b>8,326</b>	<b>120,706</b>

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

9.1 Reserves (cont.)	Balance at beginning of reporting period	Transfer from accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000
<b>(b) Other reserves</b>			
<b>2022</b>			
Resort and Recreation	168	80	248
Winton Land	10	-	10
Benalla Urban Grown Headworks Charge	78	-	78
Lake Mokoan inlet Channel	556	69	625
<b>Total Other reserves</b>	<b>812</b>	<b>149</b>	<b>961</b>
<b>2021</b>			
Resort and Recreation	155	13	168
Winton Land	10	-	10
Benalla Urban Grown Headworks Charge	78	-	78
Lake Mokoan inlet Channel	486	70	556
<b>Total Other reserves</b>	<b>729</b>	<b>83</b>	<b>812</b>

#### 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 3 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.

	2022 \$'000	2021 \$'000
<b>9.2 Reconciliation of cash flows from operating activities to surplus</b>		
Surplus for the year	7,382	5,469
Depreciation/amortisation	6,658	7,208
Contributions - Non-monetary assets	(43)	(54)
Borrowing Cost	92	92
Finance Cost - leases	31	31
Loss on disposals of Property, Plant & Equipment	71	99
Landfill Rehabilitation Provision adjustment accounted for as an expense	(2,933)	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(1,616)	(126)
(Increase)/decrease in prepayments	18	(33)
Increase/(decrease) in trade and other payables	2,787	450
(Decrease)/increase in unearned income /revenue	207	3,452
(Increase)/decrease in inventories	7	(14)
(Increase)/decrease in Trust Funds and deposits	214	(50)
(Decrease)/increase in provisions	644	(313)
Net cash provided by/(used in) operating activities	<b>13,519</b>	<b>16,211</b>

**9.3 Superannuation**

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

**Accumulation**

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%)).

**Defined Benefit**

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Benalla Rural City 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 2021, 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 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns 4.75% pa  
Salary information 2.75% pa  
Price inflation (CPI) 2.25% pa.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns 5.5% pa  
Salary information 2.5% pa to 30 June 2023 and 3.5% thereafter  
Price inflation (CPI) 3.0% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 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.

### 9.3 Superannuation (cont.)

#### Employer contributions

##### (a) Regular contributions

On the basis of the results of the 2021 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 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

##### (b) Funding calls

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

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

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

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

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

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

#### The 2021 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

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

	2021 (Interim)	2020 (Triennial)
	\$m	\$m
- A VBI Surplus	214.7	100.0
- A total service liability surplus	270.3	200.0
- A discounted accrued benefits surplus	285.2	217.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2021.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2021.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

#### The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

### 10 Change in accounting policy

There have been no changes to accounting policies in the 2021-22 year.

There are no pending accounting standards that are likely to have a material impact on council.



