

Benalla Rural City Council

Additional Council Meeting

Agenda

Date: Tuesday 21 October 2025

Time: 6pm

Venue: Civic Centre (Council Meeting Room)
13 Mair Street, Benalla

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Agenda

Chair	Councillor Bernie Hearn (Mayor)	
Councillors	Councillor Justin King (Deputy Mayor)	
	Councillor David Blore	
	Councillor Peter Davis	
	Councillor Puna Hewa Gunaratne	
	Councillor Jillian Merkel	
In attendance	Councillor Nathan Tolliday	
	Peter Keane	Chief Executive Officer
	Robert Barber	General Manager Corporate
	Cathy Fitzpatrick	Manager Finance
	Jess Pendergast	Governance Coordinator

Opening and Acknowledgement of Country

The Chair will open the meeting and recite the following Acknowledgement of Country.

We, the Benalla Rural City Council, acknowledge the traditional custodians of the land on which we are meeting. We pay our respects to their Elders past and present and to Elders from other communities who may be here today.

Apologies

Recommendation:

That the apology/ies be noted.

Statement of Commitment

The Councillors will recite the following Statement of Commitment:

I declare,

that as a Councillor of Benalla Rural City

I will undertake on every occasion

to carry out my duties in the best interests of the community

and that my conduct shall maintain the standards of our Model Councillor Code of Conduct

so that I may faithfully represent

and uphold the trust placed in the Council

by the people of Benalla and District.

Governance Matters

This Council Meeting is conducted in accordance with the *Local Government Act 2020* and the Benalla Rural City Council *Governance Rules 2020*.

Recording of Council Meetings

In accordance with Rule 6.4 of the *Governance Rules 2020* the Council Meeting will be livestreamed via the Council's website and an audio recording will be made of the proceedings and made available for public access, with the exception of matters identified as confidential items in the agenda.

Members of the public can watch the live broadcast of the meeting at www.benalla.vic.gov.au

Behaviour at Meetings

Members of the public present at a meeting must remain silent during the proceedings other than when specifically invited to address the Committee.

The Chair may remove a person from a meeting for interjecting or gesticulating offensively after being asked to desist, and the chair may cause the removal of any object or material that is deemed by the Chair to be objectionable or disrespectful.

The Chair may call a break in a meeting for either a short time, or to resume another day if the behaviour at the Council table or in the gallery is significantly disrupting the Meeting.

Disclosures of Conflict of Interest

In accordance with the *Local Government Act 2020*, a Councillor must declare any Conflict of Interest pursuant to Section 130 of the Act in any items on this Agenda.

At the time indicated in the agenda, a Councillor with a conflict of interest in an item on that agenda must indicate they have a conflict of interest by clearly stating:

- the item for which they have a conflict of interest;
- whether their conflict of interest is general or material; and
- the circumstances that give rise to the conflict of interest.

Immediately prior to the consideration of the item in which they have a conflict of interest, a Councillor must indicate to the Meeting the existence of the conflict of interest and leave the Meeting.

Officer Reports

1. **Draft Annual Financial Report, draft Performance Statement and Governance and Management Checklist For The Year Ended 30 June 2025**

Ref: 198090245-2727

Robert Barber – General Manager Corporate
Cathy Fitzpatrick – Manager Finance

PURPOSE OF REPORT

The report presents for in principle approval the draft Annual Financial Report and draft Performance Statement for the year ended 30 June 2025.

The report also presents the Benalla Rural City Council Governance and Management Checklist for adoption.

BACKGROUND

The *Local Government Act 2020* (the Act) requires the Council to give in principle approval of the financial statements and performance statements prior to submitting the statements to the auditor for reporting on the audit.

The Act and the *Local Government (Planning and Reporting) Regulations 2020* requires the Council to authorise two councillors to certify the financial statements, standard statements to approve the Performance Statement in its final form, after at changes recommended or agreed to, by the auditor have been made.

The draft *Benalla Rural City Council Annual Financial Report for the Year Ended 30 June 2025* (refer **Appendix 1**) and the draft *Benalla Rural City Council Performance Statement for the Year Ended 30 June 2025* (refer **Appendix 2**) are attached for review.

DISCUSSION

The Financial Statements comprise the:

- | | |
|-----------------------------------|---------------------------------------|
| 1. Comprehensive Income Statement | 4. Statement of Cash Flows |
| 2. Balance Sheet | 5. Statement of Capital Works |
| 3. Statement of Changes in Equity | 6. Notes to the Financial Statements. |

Net Result

The net result for the 2024/25 financial year is a surplus of \$9.919 million against a budgeted surplus of \$183,000. An explanation of material income and expenditure variances can be found on pages 13 and 14 of the 2024/25 Financial Report.

An underlying surplus of \$4.641 million was recorded for the year, primarily due to the prepayment of \$2.944 million of Financial Assistance Grants funding, which related to the 2025/26 financial year.

The total comprehensive result was a surplus of \$79.796 million due to a net asset revaluation gain of \$69.877 million. Refer to Note 9.1 on page 54 of the 2024/25 Financial Report for more information on asset revaluation reserves.

A summary of the Council's financial position for the past five years as at 30 June is summarised below:

	2025 \$'000	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Total Revenue	48,112	38,178	45,310	39,371	36,589
Total Expenses	38,193	36,391	40,132	34,520	31,120
Surplus (Deficit)	9,919	1,787	5,178	4,851	5,469
Total Assets	430,594	350,453	328,175	316,488	289,957
Net Assets	406,652	326,856	301,684	284,953	264,724
Rates and Charges	23,304	22,263	21,000	19,978	19,027
Capital Projects Expenditure	6,275	7,014	7,458	6,525	5,967

Capital Works

During 2024/25, \$6.275 million of capital works were undertaken, with \$1.414 million of new asset expenditure, \$3.040 million of asset renewal expenditure and \$1.821 million of asset upgrade expenditure.

Key expenditure areas were:

Roads	\$2.735 million
Plant, machinery and equipment	\$1.176 million
Bridges	\$713,000
Buildings	\$522,000
Footpaths and cycleways	\$384,000
Parks, open spaces and streetscapes	\$360,000

A detailed capital works breakdown, including an explanation of material variances, can be found in Note 2.1.2 Capital works on pages 15 and 16 of the 2024/25 Financial Report.

Landfill Restoration Provision

The provision to restore cells at the Benalla Landfill and Recreation Centre has decreased from \$12.186 million to \$11.820 million.

Refer to Note 5(b) Landfill restoration on page 33 of the 2024/25 Financial Report for more information.

PERFORMANCE STATEMENT

The Performance Statement is a key component of the Local Government Performance Reporting Framework. The framework is a mandatory system of performance reporting for all Victorian councils. It ensures councils are measuring and reporting on their performance in a consistent way to promote transparency and accountability in the local government sector.

The framework is made up of a range of measures, including roads, planning, animal management and waste. It is complemented by a Governance and Management checklist of 24 items, which shows the policies, plans and procedures in place at each council.

The framework and checklist build a comprehensive picture of council performance.

Financial Performance Indicators

Financial Performance indicators can be found on pages 9 to 13 of the Performance Statement (**Appendix 2**).

Key Financial Ratios	2024/25	2023/24	2022/23	2021/22	2020/21
Working Capital (Current assets/current liabilities)	330%	310%	268%	198%	203%
Indebtedness (Non-current liabilities/own source revenue)	42%	46%	55%	59%	50%
Asset Renewal and Upgrade (Asset renewal and upgrade expense/Asset depreciation)	67%	73%	90%	47%	40%
Adjusted Underlying Result (Adjusted underlying surplus [deficit]/adjusted underlying revenue)	11%	-9%	7%	6%	7%

GOVERNANCE AND MANAGEMENT CHECKLIST

The Governance and Management Checklist demonstrates that Council has strong governance and management frameworks in place covering community engagement, planning, monitoring, reporting and decision making.

The *Benalla Rural City Council Governance and Management Checklist* is attached as **Appendix 3**.

COUNCIL PLAN 2021-2025 IMPLICATIONS

Leadership

- *Good governance.*
- *Engaged and informed community.*

FINANCIAL IMPLICATIONS

Costs associated with the development of the financial statements, performance statement and governance and management checklist have been met from existing budget allocations.

LEGAL AND STATUTORY IMPLICATIONS

This report is consistent with sections 98 and 99 of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020* Part 4.

COMMUNITY ENGAGEMENT

In accordance with the Council's *Community Engagement Policy*, it is proposed that community engagement be undertaken at the 'Inform' level under the International Association for Public Participation's IAP2 public participation spectrum as detailed in the table below:

Level of Public Participation	Promise to the community	Techniques to be used
Inform	We will provide information	<ul style="list-style-type: none">▪ Annual Report presented in a public report to the Council.▪ Annual Report to be published on Council's website.▪ Annual Report to be publicly promoted.

CONCLUSION

At its meeting on Tuesday 21 October 2025, the Audit and Risk Committee considered the draft *2024/25 Financial Report* and *2024/25 Performance Statement*. The outcome of that meeting, which is being held prior to this Council meeting, will be verbally reported to the Council.

The Victorian Auditor-General's Office has started a preliminary review of the financial report and performance statement. Any VAGO required amendments to the documents will be verbally reported to the Council.

In accordance, section 100 (2)(a) of the *Local Government Act 2020*, the Council is required to present its *2024/25 Annual Report*, including audited financial statements, audited performance statement, and governance and management checklist at an open meeting by no later than 31 October 2025.

It is proposed that the *2024/25 Annual Report*, including audit opinions on the financial report and performance statement, be presented to the Council Meeting on Wednesday 29 October 2025.

Recommendation:

1. That Council approves in principle the *Benalla Rural City Council Annual Financial Report for the Year Ended 30 June 2025* and *Benalla Rural City Council Performance Statement for the Year Ended 30 June 2025*.
2. That Mayor Cr Bernie Hearn, Cr Peter Davis and Chief Executive Officer Peter Keane authorised to certify the *Benalla Rural City Council Annual Financial Report For the Year Ended 30 June 2025* and *Benalla Rural City Council Performance Statement For the Year Ended 30 June 2025* in their final form after any changes recommended or agreed to by the Victorian Auditor-General's Office have been made.
3. That Council adopts the *Benalla Rural City Council Governance and Management Checklist*.

Draft

Draft Benalla Rural City Council

ANNUAL FINANCIAL REPORT
for the year ended 30 June 2025



Annual Financial Report

for the year ended 30 June 2025

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Annual Financial Report
for the year ended 30 June 2025

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Content Overview

These financial statements are General Purpose Financial Statements and cover the consolidated operations for Benalla Rural City Council

All figures presented in these financial statements are presented in Australian Currency.

These financial statements were authorised for issue by the Council on dd MMMM yyyy
Council has the power to amend and reissue these financial statements.

Annual Financial Report
for the year ended 30 June 2025

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
Manager Finance
Dated: dd MMMM yyyy
Benalla

In our opinion, the accompanying financial statements present fairly the financial transactions of Benalla Rural City Council for the year ended 30 June 2025 and the financial position of the Council as at that date.

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

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

Bernie Hearn
Mayor
Dated: dd MMMM yyyy
Benalla

Justin King
Councillor
Dated: dd MMMM yyyy
Benalla

Peter Keane
Chief Executive Offiver
Dated: dd MMMM yyyy
Benalla

Annual Financial Report
for the year ended 30 June 2025

Victorian Auditor-General's Office Report

Insert VAGO Report here

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Annual Financial Report
for the year ended 30 June 2025

Victorian Auditor-General's Office Report (continued)

Insert VAGO Report here

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Comprehensive Income Statement

for the year ended 30 June 2025

	Note	2025 \$ '000	2024 \$ '000
Income / Revenue			
Rates and charges	3.1	23,304	22,263
Statutory fees and fines	3.2	560	695
User fees	3.3	4,028	3,758
Grants - operating	3.4	11,977	3,949
Grants - capital	3.4	1,841	3,694
Contributions - monetary	3.5	441	433
Contributions - non monetary	3.5	4,704	1,759
Net gain on disposal of property, infrastructure, plant and equipment	3.6	—	171
Other income	3.7	1,257	1,456
Total income / revenue		48,112	38,178
Expenses			
Employee costs	4.1	12,827	13,129
Materials and services	4.2	16,311	16,448
Depreciation	4.3	7,279	6,639
Amortisation - Intangible assets	4.4	438	395
Depreciation - Right of use assets	4.5	365	233
Allowance for impairment losses	4.6	—	6
Borrowing costs	4.7	101	134
Finance Costs - Leases	4.8	22	24
Net loss on disposal of property, infrastructure, plant and equipment	3.6	337	—
Other expenses	4.9	513	(617)
Total expenses		38,193	36,391
Surplus/(deficit) for the year		9,919	1,787
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	9.1	69,877	23,386
Total items which will not be reclassified subsequently to the operating result		69,877	23,386
Total other comprehensive income		69,877	23,386
Total comprehensive result		79,796	25,173

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

Balance Sheet

as at 30 June 2025

	Note	2025 \$ '000	2024 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	8,988	9,072
Trade and other receivables	5.1	3,202	5,759
Prepayments	5.2	131	195
Other financial assets	5.1	25,887	17,608
Inventories	5.2	32	36
Total current assets		38,240	32,670
Non-current assets			
Property, infrastructure, plant and equipment	6.1	387,060	314,145
Intangible assets	5.2	4,870	3,203
Right-of-use assets	5.8	424	435
Total non-current assets		392,354	317,783
Total assets		430,594	350,453
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,089	4,581
Trust funds and deposits	5.3	751	926
Contract and other liabilities	5.3	2,495	290
Provisions	5.5	3,646	3,996
Interest-bearing liabilities	5.4	411	556
Lease liabilities	5.8	205	206
Total current liabilities		11,597	10,555
Non-current liabilities			
Provisions	5.5	10,899	11,105
Interest-bearing liabilities	5.4	1,254	1,694
Lease liabilities	5.8	192	243
Total non-current liabilities		12,345	13,042
Total liabilities		23,942	23,597
Net assets		406,652	326,856
Equity			
Accumulated surplus		168,963	159,136
Reserves		237,689	167,720
Total Equity		406,652	326,856

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

Statement of Changes in Equity

for the year ended 30 June 2025

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2025					
Balance at beginning of the financial year		326,856	159,136	166,556	1,164
Surplus/(deficit) for the year		9,919	9,919	—	—
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	69,877	—	69,877	—
Other comprehensive income		69,877	—	69,877	—
Total comprehensive income		79,796	9,919	69,877	—
Transfers to other reserves	9.1	—	(92)	—	92
Transfers from other reserves	9.1	—	—	—	—
Balance at end of the financial year		406,652	168,963	236,433	1,256
2024					
Balance at beginning of the financial year		301,684	157,458	143,171	1,055
Adjusted opening balance		301,684	157,458	143,171	1,055
Surplus/(deficit) for the year		1,787	1,787	—	—
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	23,385	—	23,385	—
Other comprehensive income		23,385	—	23,385	—
Total comprehensive income		25,172	1,787	23,385	—
Transfers to other reserves	9.1	—	(119)	—	119
Transfers from other reserves	9.1	—	10	—	(10)
Balance at end of the financial year		326,856	159,136	166,556	1,164

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 2025

	Note	2025 Inflows/ (Outflows) \$ '000	2024 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		23,186	21,887
Statutory fees and fines		560	695
User fees		4,335	3,758
Grants - operating		11,968	4,991
Grants - capital		4,048	1,383
Contributions - monetary		441	433
Interest received		1,247	1,023
Trust funds and deposits taken		(175)	—
Other receipts		2,788	42
Net GST refund/payment		1,783	1,393
Employee costs		(13,050)	(12,581)
Materials and services		(17,624)	(16,764)
Short-term, low value and variable lease payments		(64)	(83)
Trust funds and deposits repaid		—	109
Other payments		(3,656)	(598)
Net cash provided by/(used in) operating activities	9.2	15,787	5,688
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(6,586)	(7,014)
Proceeds from sale of property, infrastructure, plant and equipment		15	2,491
Payments for investments		(8,279)	(566)
Net cash provided by/(used in) investing activities		(14,850)	(5,089)
Cash flows from financing activities			
Finance costs		(101)	(134)
Repayment of borrowings		(585)	(605)
Interest paid - lease liability		(22)	(24)
Repayment of lease liabilities		(313)	(232)
Net cash flow provided by/(used in) financing activities		(1,021)	(995)
Net Increase (decrease) in cash and cash equivalents		(84)	(396)
Cash and cash equivalents at the beginning of the financial year		9,072	9,468
Cash and cash equivalents at the end of the financial year		8,988	9,072
Financing arrangements	5.6	1,765	2,350

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 2025

	Note	2025 \$ '000	2024 \$ '000
Property			
Buildings		522	1,134
Total buildings		522	1,134
Total property		522	1,134
Plant and equipment			
Art Collection		–	148
Plant, machinery and equipment		1,176	353
Fixtures, fittings and furniture		28	455
Computers and telecommunications		191	174
Library books		89	92
Total plant and equipment		1,484	1,222
Infrastructure			
Roads		2,735	2,280
Bridges		713	452
Footpaths and cycleways		384	633
Drainage		44	562
Recreational, leisure and community facilities		8	–
Waste management		25	174
Parks, open space and streetscapes		360	285
Off street car parks		–	151
Other infrastructure		–	121
Total infrastructure		4,269	4,658
Total capital works expenditure	6.1	6,275	7,014
Represented by:			
New asset expenditure		1,414	2,161
Asset renewal expenditure		3,040	3,203
Asset upgrade expenditure		1,821	1,650
Total capital works expenditure		6,275	7,014

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

Notes to the Financial Report

for the year ended 30 June 2025

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 Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

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

Accounting policy information

1.1 Basis of accounting

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

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1.)
- 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.

Notes to the Financial Report
for the year ended 30 June 2025

Note 1. Overview (continued)

Goods and Services Tax (GST)

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

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Notes to the Financial Report

for the year ended 30 June 2025

Note 2. Analysis of our results

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 \$50,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

2.1.1 Income / Revenue and expenditure

	Budget 2025 \$ '000	Actual 2025 \$ '000	Variance \$ '000	Variance %	Ref
Income / Revenue					
Rates and charges	23,041	23,304	263	1.14%	1
Statutory fees and fines	617	560	(57)	(9.24)%	2
User fees	3,546	4,028	482	13.59%	3
Grants - operating	6,588	11,977	5,389	81.80%	4
Grants - capital	4,356	1,841	(2,515)	(57.74)%	5
Contributions - monetary	101	441	340	336.63%	6
Contributions - non monetary	104	4,704	4,600	4,423.08%	7
Other income	602	1,257	655	108.80%	8
Total income / revenue	38,955	48,112	9,157	23.51%	
Expenses					
Employee costs	13,817	12,827	990	7.17%	9
Materials and services	15,564	16,311	(747)	(4.80)%	10
Depreciation	7,941	7,279	662	8.34%	11
Amortisation - intangible assets	394	438	(44)	(11.17)%	12
Depreciation - right of use assets	322	365	(43)	(13.35)%	13
Allowance for impairment losses	14	—	14	100.00%	
Borrowing costs	116	101	15	12.93%	14
Finance costs - leases	15	22	(7)	(46.67)%	15
Net loss on disposal of property, infrastructure, plant and equipment	—	337	(337)	∞	16
Other expenses	589	513	76	12.90%	
Total expenses	38,772	38,193	579	1.49%	
Surplus/(deficit) for the year	183	9,919	9,736	5,320.22%	

Notes to the Financial Report

for the year ended 30 June 2025

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
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1. Increases in rates and charges includes supplementary rates raised \$263,000.
2. Lower income from Planning fees \$38,794; Building fees \$72,748 offset by higher Compliance fines \$15,693 and Certificate charges \$36,661.
3. Higher Benalla Cinema income \$159,000, Landfill operating fees \$123,000, Tourism and Art Gallery income \$93,582; Recycling Collection Victoria's Container Deposit Scheme income \$45,079 and Benalla Airport and Facilities fees \$20,118.
4. Operating grants received were above budget, mainly due to the receipt of \$2.944 million which was 50% of the 2025-26 Financial Assistance Grants received in June 2025. New grants and 2023/24 carry forwards not included in 2024/25 Original budget \$1.393 million and additional income associated with the Natural Disaster flood event \$1.113 million.
5. Budgeted grants deferred to unearned income as outcomes not delivered e.g. Art Gallery Redevelopment \$2.649 million This was offset by increased 24/25 Road to Recovery grant \$292,521.
6. Contributions received towards community projects \$222,995 and contributions Public Open space \$67,298.
7. Higher recognition of \$3.3 million gifted assets from Subdivision - developer contributions. Art Gallery collection contributed assets \$1.088 million. Higher recognition of Volunteer Services \$206,032 returning post COVID service closures levels and street art event.
8. Favourable return on investments due to increased cash held \$688,887 and higher investment rates offset by other reimbursements \$44,000.
9. Various staff vacancies across the organisation, filled with short term contractors.
10. Major increase in Materials and services carry forward 23/24 Scoping Future Capital \$208,000 - Operating Expenses higher recognition of Volunteer Services \$206,032 returning post COVID service closures levels and street art event. Drainage works undertaken treated as maintenance \$232,000 budgeted as capital project. Waste services associated cost higher for EPA Levy and green mulching expenses \$106,000.
11. Lower depreciation was due to delayed 2023/24 and 2024/25 Capital works additional assets delivery.
12. Amortisation of software at end of life resulted increase expense in 24/25.
13. Increase due to recognising additional lease extensions.
14. Favourable variances as no additional loans raise in the past two years.
15. Unfavourable variance as higher interest rates resulted in higher lease costs for replacement vehicles.
16. When assets are replaced renewed or upgraded the underlying book value of the asset must be written out of the asset register. This value is recorded as an expense. The amount of the expense depends on the time of completion of works scheduled in the Capital Works Program.

Notes to the Financial Report

for the year ended 30 June 2025

Note 2.1 Performance against budget (continued)

2.1.2 Capital works

	Budget 2025 \$ '000	Actual 2025 \$ '000	Variance \$ '000	Variance %	Ref
Property					
Buildings	3,662	522	(3,140)	(85.75)%	1
Total buildings	3,662	522	(3,140)	(85.75)%	
Total property	3,662	522	(3,140)	(85.75)%	
Plant and equipment					
Art Collection	—	—	—	∞	
Plant, machinery and equipment	1,160	1,176	16	1.38%	
Fixtures, fittings and furniture	120	28	(92)	(76.67)%	2
Computers and telecommunications	180	191	11	6.11%	
Library books	96	89	(7)	(7.29)%	
Total plant and equipment	1,556	1,484	(72)	(4.63)%	
Infrastructure					
Roads	2,186	2,735	549	25.11%	3
Bridges	600	713	113	18.83%	4
Footpaths and cycleways	248	384	136	54.84%	5
Drainage	973	44	(929)	(95.48)%	6
Recreational, leisure and community facilities	—	8	8	∞	
Waste management	1,350	25	(1,325)	(98.15)%	7
Parks, open space and streetscapes	75	360	285	380.00%	8
Off street car parks	—	—	—	∞	
Other infrastructure	367	—	(367)	(100.00)%	9
Total infrastructure	5,799	4,269	(1,530)	(26.38)%	
Total capital works expenditure	11,017	6,275	(4,742)	(43.04)%	
Represented by:					
New asset expenditure	2,822	1,414	(1,408)	(49.89)%	
Asset renewal expenditure	6,567	3,040	(3,527)	(53.71)%	
Asset upgrade expenditure	1,627	1,821	194	11.92%	
Total capital works expenditure	11,016	6,275	(4,741)	(43.04)%	

Notes to the Financial Report
for the year ended 30 June 2025

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1.	\$2.8 million Benalla Art Gallery Redevelopment planning and design progressed. Construction not commenced. Lift replacement in Customer Service Centre not proceeded with \$200,000.
2.	Benalla Art Gallery CCTV Upgrade \$80,000 being finalised in October 2026.
3.	Additional Grant funding received Black Spot Projects \$68,337 and additional Roads to Recovery funding \$292,576 received. \$162,000 was utilised to fund the balance of the Gravel Resheeting Program for 2024/2025.
4.	Works involved major culverts budgeted as part of Drainage Strategy funding \$152,637.
5.	Lakeside walk - board walk renewal undertaken by Council \$86,000 following flood in 22/23. Additional footpath replacement required in 24/25 due to tree root damage.
6.	Drainage Strategy works undertaken during the period were assessed as maintenance activities and \$152,637 major culvert works were assessed as Bridges.
7.	Landfill rehabilitation works of \$2.024 million were originally to be delivered in 23/24, however, works not undertaken due to delay in EPA approval of proposed design.
8.	LRCI Fund Grant funding received in 24/25 for additional projects \$203,287 undertaken were assessed.
9.	Works undertaken were assessed Parks, Open Space and Streetscapes Assets.

Notes to the Financial Report

for the year ended 30 June 2025

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Chief Executive Officer Division

Corporate Division

Chief Executive Officer Division

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

Corporate Division

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

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

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2025					
Chief Executive Officer Division	27	1,039	(1,012)	—	—
Corporate Division	48,085	37,154	10,931	13,818	430,594
Total functions and activities	48,112	38,193	9,919	13,818	430,594
2024					
Chief Executive Officer Division	13	886	(873)	—	—
Corporate Division	38,165	35,505	2,660	7,643	350,453
Total functions and activities	38,178	36,391	1,787	7,643	350,453

Notes to the Financial Report

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services

	2025 \$ '000	2024 \$ '000
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3.1 Rates and charges

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

The valuation base used to calculate general rates for 2024/25 was \$5.510 billion (2023/24 \$5.361 billion).

General rates	15,790	15,039
Municipal charge	2,249	2,152
Service rates and charges	4,549	4,277
Supplementary rates and rate adjustments	183	296
Interest on rates and charges	91	72
Revenue in lieu of rates	442	427
Total rates and charges	23,304	22,263

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2024 and the valuation was first applied in the rating year commencing 1 July 2024.

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

3.2 Statutory fees and fines

Infringements and costs	43	34
Court recoveries	2	14
Town planning fees	252	333
Land information certificates	27	18
Permits	236	296
Total statutory fees and fines	560	695

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

3.3 User fees

Leisure centre and recreation	601	543
Registration and other permits	211	226
Waste management services	3,095	2,797
Operations	90	174
Other fees and charges	31	18
Total user fees	4,028	3,758

User fees by timing of revenue recognition

User fees recognised at a point in time	4,028	3,758
Total user fees	4,028	3,758

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services (continued)

	2025 \$ '000	2024 \$ '000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	10,173	3,557
State funded grants	3,645	4,086
Total grants received	13,818	7,643
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	8,414	229
General home care	–	12
Other	100	–
Recurrent - State Government		
Aged care	13	166
School crossing supervisors	85	83
Libraries	161	161
Maternal and child health	344	419
Creative Arts Victoria	105	105
Youth Programs & Family Support	823	825
Emergency Resourcing	60	–
Fire Services Property Levy Administrative Support Funding	49	48
Social Inclusion Action Group SAIG	231	226
Total recurrent operating grants	10,385	2,274
Non-recurrent - Commonwealth Government		
Creative Australia - Carbon Neutral Program 2024	–	6
Paid Parental Leave	7	53
Local Road and Community Infrastructure	69	312
Non-recurrent - State Government		
Other	40	–
Environmental Projects	86	42
Youth Programs & Family Support	26	76
Planning Projects	35	150
Economic Development	70	90
COVID-19 Support - Council Rapid Antigen Testing Program	–	60
Natural Disaster - Emergency Events	1,113	661
Library Programs	6	6
Living Heritage Grants Program, Benalla Migrant Camp Conservation	–	78
Free from Violence - Local Government Grant Project	140	50
Open Space Strategy Funding DJPR 2025-2035	–	36
Benalla CBD Pedestrian safety treatments project	–	55
Total non-recurrent operating grants	1,592	1,675
Total operating grants	11,977	3,949

Notes to the Financial Report

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services (continued)

	2025 \$ '000	2024 \$ '000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,267	804
Total recurrent capital grants	1,267	804
Non-recurrent - Commonwealth Government		
Blackspot Funding	68	150
Local Road and Community Infrastructure	248	1,991
Non-recurrent - State Government		
Benalla Foreshore Funding	177	267
Department of Transport - Midland Hwy Footpath Project	18	–
Department of Justice & Community Safety - Lighting the Lake	–	142
Department of Jobs, Precincts and Regions - Art Gallery Redevelopment	63	340
Total non-recurrent capital grants	574	2,890
Total capital grants	1,841	3,694

(c) Recognition of grant income

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

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

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

General purpose	8,471	330
Specific purpose grants to acquire non-financial assets	1,883	3,694
Other specific purpose grants	2,658	2,340
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	807	1,279
	13,819	7,643

Notes to the Financial Report

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services (continued)

	2025 \$ '000	2024 \$ '000
(d) Unspent grants received on condition that they be spent in a specific manner:		
Operating		
Balance at start of year	178	249
Received during the financial year and remained unspent at balance date	–	15
Received in prior years and spent during the financial year	(9)	(86)
Balance at year end	169	178
Capital		
Balance at start of year	109	2,420
Received during the financial year and remained unspent at balance date	752	46
Received in prior years and spent during the financial year	1,455	(2,357)
Balance at year end	2,316	109

Unspent grants are determined and disclosed on a cash basis.

3.5 Contributions

Monetary contributions

Monetary	441	433
Total monetary contributions	441	433

Non-monetary contributions

Non-monetary	4,704	1,759
Total non-monetary contributions	4,704	1,759

Total contributions	5,145	2,192
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Contributions of non monetary assets were received in relation to the following asset classes.

Art	1,088	232
Land	36	–
Other Infrastructure	1,753	373
Recognition of Volunteer Services	310	267
Roads	1,517	887
Total non-monetary contributions	4,704	1,759

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services (continued)

	2025 \$ '000	2024 \$ '000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Property, Plant and equipment		
Proceeds of sale	15	2,491
Written down value of assets disposed	(95)	(2,320)
Total net gain/(loss) on disposal of property, plant and equipment	(80)	171
Infrastructure Assets		
Written down value of assets disposed	(257)	—
Total net gain/(loss) on disposal of Infrastructure Assets	(257)	—

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

3.7 Other income

Interest	1,247	1,023
Other	10	46
Found Assets	—	387
Total other income	1,257	1,456

Interest is recognised as it is earned.

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 4. The cost of delivering services

	2025	2024
	\$ '000	\$ '000

4.1 Employee costs

(a) Employee costs

Wages and salaries	11,197	11,450
WorkCover	336	449
Superannuation	1,266	1,178
Fringe benefits tax	28	52
Total employee costs	12,827	13,129

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	37	36
	37	36

Employer contributions payable at reporting date	–	91
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	482	485
Employer contributions - other funds	406	361
Employer contributions - Aware Superannuation Fund	96	95
Employer contributions - First Super	34	–
Employer contributions - Australian Superannuation Fund	89	86
Employer contributions - Hesta Superannuation Fund	68	62
Employee contributions - Australian Retirement Trust	47	51
Employer contributions - Hostplus Superannuation Fund	44	38
	1,266	1,178

Employer contributions payable at reporting date	93	91
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Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

Notes to the Financial Report

for the year ended 30 June 2025

Note 4. The cost of delivering services (continued)

	2025 \$ '000	2024 \$ '000
4.2 Materials and services		
Contract payments	7,272	6,915
Materials and services	1,447	1,892
Environmental Protection Authority Levy	1,454	1,470
Services non contract	1,658	1,533
Vehicle Expenses	641	782
Insurance	548	526
Electricity and Utilities	527	592
Repairs and Maintenance	522	381
Contract Staff	66	313
Consultants General	351	378
Expenses from short term leases	59	–
Cleaning Expenses	292	269
Memberships and Subscriptions	251	227
Management Committees	68	90
Advertising and Promotion	114	86
Exhibition/Performance Costs	165	188
Legal Expenses	133	138
Training and development	127	142
Telephone	93	105
Volunteers Services	310	267
Postage	79	55
Machine Hire	31	17
Other	103	82
Total materials and services	16,311	16,448

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 4. The cost of delivering services (continued)

	2025 \$ '000	2024 \$ '000
4.3 Depreciation		
Property		
Heritage buildings	17	17
Buildings - specialised	790	—
Buildings	—	771
Total depreciation - property	807	788
Plant and equipment		
Plant machinery and equipment	363	293
Fixtures fittings and furniture	159	83
Computers and telecomms	115	131
Library books	93	86
Total depreciation - plant and equipment	730	593
Infrastructure		
Roads	3,336	3,122
Bridges	865	742
Footways and cycleways	201	159
Drainage	483	306
Recreational, leisure and community	15	17
Waste management	473	473
Parks open spaces and streetscapes	193	187
Aerodromes	99	188
Off street car parks	77	46
Other infrastructure	—	18
Total depreciation - infrastructure	5,742	5,258
Total depreciation	7,279	6,639

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

4.4 Amortisation - Intangible assets

Software	44	—
Airspace at Landfill	394	395
Total Amortisation - Intangible assets	438	395

Addendum

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

4.5 Depreciation - Right of use assets

Vehicles	365	171
Plant, machinery and equipment	—	62
Total Depreciation - Right of use assets	365	233

Addendum

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 4. The cost of delivering services (continued)

	2025 \$ '000	2024 \$ '000
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4.6 Allowance for impairment losses

Other debtors	—	6
Total allowance for impairment losses	—	6

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	35	29
New allowances recognised during the year	—	6
Balance at end of year	35	35

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

4.7 Borrowing costs

Interest - Borrowings	101	134
Total borrowing costs	101	134

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	22	24
Total finance costs	22	24

4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	125	96
Auditors' remuneration - Internal Audit	63	38
Councillors' allowances	251	250
Assets written-off / impaired	(93)	—
Assets written-off / impaired	—	—
Contributions - Community Support and Events Street Art	238	463
Recognition of increase / (reduction) landfill rehabilitation	(2,471)	(1,464)
NDF Emergency Accrued Income assessed as over accrued	2,400	—
Total other expenses	513	(617)

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations

	2025 \$ '000	2024 \$ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash on hand	1	1
Cash at bank	8,987	9,071
Total cash and cash equivalents	8,988	9,072
(b) Other financial assets		
Current		
Term deposits	25,887	17,608
Total current other financial assets	25,887	17,608
Total other financial assets	25,887	17,608
Total cash and cash equivalents and other financial assets	34,875	26,680
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.		
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,714	1,596
Net GST receivable	195	292
<i>Non-statutory receivables</i>		
Other debtors	1,328	3,906
Allowance for expected credit loss - other debtors	(35)	(35)
Total current trade and other receivables	3,202	5,759
Total trade and other receivables	3,202	5,759

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
(d) Ageing of receivables		
The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	783	3,742
Past due by up to 30 days	177	26
Past due between 31 and 180 days	116	84
Past due between 181 and 365 days	24	13
Past due by more than 1 year	4	6
Total trade and other receivables	1,104	3,871

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$35,000 (2024: \$34,000) were impaired. The amount of the allowance raised against these debtors was \$35,000 (2024: \$34,000). 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)	(2)	(1)
Past due by up to 30 days	(5)	(5)
Past due between 31 and 180 days	(7)	(7)
Past due between 181 and 365 days	(15)	(15)
Past due by more than 1 year	(6)	(6)
Total trade and other receivables	(35)	(34)

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
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5.2 Non-financial assets

(a) Inventories

Current

Inventories held for distribution	32	36
Total current inventories	32	36

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	131	195
Total current Prepayments	131	195

(c) Intangible assets

Software	–	44
Landfill air space	4,870	3,159
Total intangible assets	4,870	3,203

	Software \$ '000	Landfill Air Space \$ '000	Total \$ '000
Gross Carrying Amount			
Balance at 1 July 2024	135	4,954	5,089
Additions from internal developments	–	2,106	2,106
Other additions	–	–	–
Balance at 30 June 2025	135	7,060	7,195
Accumulated amortisation and impairment			
Balance at 1 July 2024	91	1,795	1,886
Amortisation expense	44	395	439
Balance at 30 June 2025	135	2,190	2,325
Net book value at 30 June 2024	44	3,159	3,203
Net book value at 30 June 2025	–	4,870	4,870

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	2,810	3,872
Accrued expenses	1,279	709
Total current trade and other payables	4,089	4,581
(b) Trust funds and deposits		
Current		
Refundable deposits	609	755
Retention amounts	93	93
Other refundable deposits	49	78
Total current trust funds and deposits	751	926
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	169	178
Grants received in advance - capital	2,316	109
Other	10	3
Total current contract liabilities	2,495	290
Total current contract and other liabilities	2,495	290

Purpose and nature of items

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

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
5.4 Interest-bearing liabilities		
Current		
Other borrowings - secured	411	556
Total current interest-bearing liabilities	411	556
Non-current		
Other borrowings - secured	1,254	1,694
Total non-current interest-bearing liabilities	1,254	1,694
Total	1,665	2,250

Borrowings are secured by Council rates.

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

Not later than one year	411	556
Later than one year and not later than five years	1,064	1,314
Later than five years	190	380
	1,665	2,250

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities based on contractual repayment terms at every balance date.

In classifying borrowings as current or non-current Council considers whether at balance date it has the right to defer settlement of the liability for at least twelve months after the reporting period. Council's loan arrangements include covenants based on Council's financial performance and position at the end of the reporting period. These covenants are assessed for compliance after the reporting period based on specified financial ratios.

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	Employee provisions \$ '000	Landfill restoration \$ '000	Total \$ '000
5.5 Provisions			
2025			
Balance at the beginning of the financial year	2,915	12,187	15,102
Additional provisions	59	(897)	(838)
Amounts used	(297)	–	(297)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	49	530	579
Balance at the end of the financial year	2,726	11,820	14,546
Provisions			
Provisions - current	2,546	1,100	3,646
Provisions - non-current	180	10,720	10,900
Total Provisions	2,726	11,820	14,546
2024			
Balance at the beginning of the financial year	2,754	13,649	16,403
Additional provisions	402	(1,366)	(964)
Amounts used	(157)	–	(157)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(84)	(97)	(181)
Balance at the end of the financial year	2,915	12,186	15,101
Provisions			
Provisions - current	2,746	1,250	3,996
Provisions - non-current	169	10,936	11,105
Total Provisions	2,915	12,186	15,101
		2025	2024
		\$ '000	\$ '000
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		958	1,043
Long service leave		73	122
		1,031	1,165
Current provisions expected to be wholly settled after 12 months			
Long service leave		1,515	1,581
		1,515	1,581
Total current employee provisions		2,546	2,746
Non-Current			
Long service leave		179	169
Total Non-Current Employee Provisions		179	169
Aggregate Carrying Amount of Employee Provisions:			
Current		2,546	2,746
Non-current		179	169
Total Aggregate Carrying Amount of Employee Provisions		2,725	2,915

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
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The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Annual leave

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

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

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

Long service leave

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

Key assumptions:

- discount rate	3.86%	4.47%
- index rate	3.25%	1.43%

(b) Landfill restoration**Current**

Current	1,100	1,250
Total current	1,100	1,250

Non-current

Non-current	10,720	10,936
Total non-current	10,720	10,936

Total

Total	11,820	12,186
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Council is obligated to restore Benalla Landfill and Resource Recovery Centre landfill site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work required and related costs.

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

Key assumptions:

- discount rate	4.30%	4.20%
- index rate	3.30%	3.40%

Notes to the Financial Report
for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	2025 \$ '000	2024 \$ '000
5.6 Financing arrangements		
The Council has the following funding arrangements in place as at 30 June 2025.		
Credit card facilities	100	100
Treasury Corporation of Victoria facilities	—	—
Other facilities	1,665	2,250
Total Facilities	1,765	2,350
Used facilities	1,735	2,320
Used facilities	1,735	2,320
Unused facilities	30	30

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

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 \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2025					
Operating					
Facilities and Pool Services	2,594	2,854	3,425	—	8,873
Waste Services	1,822	1,862	5,876	3,147	12,707
Development and Health Services	547	105	36	—	688
Information Services	458	478	253	—	1,189
Asset and Infrastructure Services	324	25	—	—	349
Corporate and Library Services	252	—	—	—	252
Environment and Tourism Services	77	77	—	—	154
Total	6,074	5,401	9,590	3,147	24,212
Capital					
Parks and Open Spaces Projects	864	—	—	—	864
Plant & Machinery	573	—	—	—	573
Roads	—	—	—	—	—
Total	1,437	—	—	—	1,437

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2024					
Operating					
Facilities and Pool Services	1,143	—	—	—	1,143
Waste Services	2,157	1,979	6,063	5,221	15,420
Development and Health Services	728	136	34	—	898
Information Services	270	115	252	—	637
Asset and Infrastructure Services	478	27	25	—	530
Corporate and Library Services	177	170	—	—	347
Environment and Tourism Services	—	—	—	—	—
Total	4,953	2,427	6,374	5,221	18,975
Capital					
Parks and Open Spaces Projects	205	—	—	—	205
Plant & Machinery	58	—	—	—	58
Roads	5	—	—	—	5
Total	268	—	—	—	268

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

5.8 Leases

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

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Investing in and financing our operations (continued)

(a) Right-of-Use Assets

	Vehicles \$ '000	Total \$ '000
2025		
Balance at 1 July 2024	435	435
Additions	175	175
Depreciation charge	(365)	(365)
Other	179	179
Balance at 30 June 2025	424	424
2024		
Balance at 1 July 2023	488	488
Additions	242	242
Depreciation charge	(295)	(295)
Other	—	—
Balance at 30 June 2024	435	435

	2025 \$ '000	2024 \$ '000
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(b) Lease Liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	221	264
One to five years	199	256
Total undiscounted lease liabilities as at 30 June:	420	520

Lease liabilities included in the Balance Sheet at 30 June:

Current	205	206
Non-current	192	243
Total lease liabilities	397	449

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	59	50
Leases of low value assets	—	33
Total	59	83

Notes to the Financial Report

for the year ended 30 June 2025

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2024 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Disposal \$ '000	Depreciation \$ '000	Write-off \$ '000	Transfers \$ '000	Carrying amount 30 June 2025 \$ '000
Property	73,583	259	36	8,565	–	(807)	–	15	81,651
Plant and equipment	34,332	1,485	1,088	2,968	(96)	(730)	–	–	39,047
Infrastructure	205,279	3,804	3,270	58,348	(260)	(5,742)	–	110	264,809
Work in progress	951	727	–	–	–	–	–	(125)	1,553
Total	314,145	6,275	4,394	69,881	(356)	(7,279)	–	–	387,060

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	392	263	–	(15)	640
Infrastructure	559	464	–	(110)	913
Total	951	727	–	(125)	1,553

Notes to the Financial Report

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Land specialised \$ '000	Land non specialised \$ '000	Land under Roads \$ '000	Total land and land improvements \$ '000	Heritage buildings \$ '000	Buildings specialised \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
Property									
At fair value 1 July 2024	20,829	1,190	16,123	38,142	1,048	68,825	69,873	392	108,407
Accumulated depreciation at 1 July 2024	—	—	—	—	(1,013)	(33,419)	(34,432)	—	(34,432)
	20,829	1,190	16,123	38,142	35	35,406	35,441	392	73,975
Movements in fair value									
Additions	—	—	—	—	—	259	259	263	522
Contributions	—	—	36	36	—	—	—	—	36
Revaluation	1,825	67	54	1,946	75	6,885	6,960	—	8,906
Disposal	—	—	—	—	—	—	—	—	—
Write-off	—	—	—	—	—	—	—	—	—
Transfers	(1)	1	—	—	—	15	15	(15)	—
Impairment	—	—	—	—	—	—	—	—	—
	1,824	68	90	1,982	75	7,159	7,234	248	9,464
Movements in accumulated depreciation									
Depreciation and amortisation	—	—	—	—	(17)	(790)	(807)	—	(807)
Accumulated depreciation of disposals	—	—	—	—	—	—	—	—	—
Accumulated depreciation on revaluation	—	—	—	—	(37)	(304)	(341)	—	(341)
Transfers	—	—	—	—	—	—	—	—	—
Revaluation	—	—	—	—	—	—	—	—	—
	—	—	—	—	(54)	(1,094)	(1,148)	—	(1,148)
At fair value 30 June 2025	22,653	1,258	16,213	40,124	1,123	75,986	77,109	640	117,873
Accumulated depreciation at 30 June 2025	—	—	—	—	(1,067)	(34,515)	(35,582)	—	(35,582)
Carrying amount	22,653	1,258	16,213	40,124	56	41,471	41,527	640	82,291

Notes to the Financial Report

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Library books \$ '000	Art Works \$ '000	Total \$ '000	Total plant and equipment \$ '000
Plant and Equipment							
At fair value 1 July 2024	4,596	2,232	1,035	932	30,326	39,121	39,121
Accumulated depreciation at 1 July 2024	(2,240)	(1,273)	(720)	(556)	–	(4,789)	(4,789)
	2,356	959	315	376	30,326	34,332	34,332
Movements in fair value							
Additions	1,176	28	191	90	–	1,485	1,485
Contributions	–	–	–	–	1,088	1,088	1,088
Disposal	(235)	–	–	(52)	–	(287)	(287)
Revaluation	2	3	–	(50)	3,009	2,964	2,964
Transfers	–	–	–	–	–	–	–
	943	31	191	(12)	4,097	5,250	5,250
Movements in accumulated depreciation							
Depreciation and amortisation	(363)	(159)	(115)	(93)	–	(730)	(730)
Accumulated depreciation of disposals	139	–	–	52	–	191	191
Accumulated depreciation on revaluation	–	–	–	4	–	4	4
	(224)	(159)	(115)	(37)	–	(535)	(535)
At fair value 30 June 2025	5,537	2,261	1,227	920	34,423	44,368	44,368
Accumulated depreciation at 30 June 2025	(2,462)	(1,430)	(836)	(593)	–	(5,321)	(5,321)
Carrying amount	3,075	831	391	327	34,423	39,047	39,047

Notes to the Financial Report

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Roads \$ '000	Bridges \$ '000	Footpaths and cycleways \$ '000	Drainage \$ '000	Recrea- tional, leisure and community \$ '000	Waste management \$ '000	Parks open spaces and streets- capes \$ '000	Aerodromes \$ '000	Off street car parks \$ '000	Total \$ '000	Work in progress \$ '000	Total infra- structure \$ '000
Infrastructure												
At fair value 1 July 2024	242,197	80,082	12,375	36,298	859	6,250	3,302	7,359	2,971	391,693	559	392,252
Accumulated depreciation at 1 July 2024	(94,952)	(56,537)	(5,861)	(20,704)	(442)	(3,458)	(839)	(2,853)	(768)	(186,414)	–	(186,414)
	147,245	23,545	6,514	15,594	417	2,792	2,463	4,506	2,203	205,279	559	205,838
Movements in fair value												
Additions	2,735	429	317	18	8	–	297	–	–	3,804	464	4,268
Contributions	1,517	156	366	1,231	–	–	–	–	–	3,270	–	3,270
Revaluation	52,273	2,228	11,683	1,026	1,000	209	1,106	543	(780)	69,288	–	69,288
Disposal	(893)	(88)	(7)	–	–	–	–	–	–	(988)	–	(988)
Write-off	–	–	–	–	–	–	–	–	–	–	–	–
Transfers	–	–	–	–	–	–	110	–	–	110	(110)	–
	55,632	2,725	12,359	2,275	1,008	209	1,513	543	(780)	75,484	354	75,838
Movements in accumulated depreciation												
Depreciation and amortisation	(3,336)	(865)	(201)	(483)	(15)	(473)	(193)	(99)	(77)	(5,742)	–	(5,742)
Accumulated depreciation of disposals	637	88	3	–	–	–	–	–	–	728	–	728
Accumulated depreciation on revaluation	(7,467)	(1,606)	(785)	(589)	(469)	(20)	(12)	(247)	255	(10,940)	–	(10,940)
Write Off	–	–	–	–	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–	–	–	–	–
Impairment	–	–	–	–	–	–	–	–	–	–	–	–
Transfers	–	–	–	–	–	–	–	–	–	–	–	–
	(10,166)	(2,383)	(983)	(1,072)	(484)	(493)	(205)	(346)	178	(15,954)	–	(15,954)
At fair value 30 June 2025	297,829	82,807	24,733	38,577	1,867	6,460	4,812	7,902	2,190	467,177	913	468,090
Accumulated depreciation at 30 June 2025	(105,118)	(58,920)	(6,843)	(21,780)	(926)	(3,952)	(1,041)	(3,199)	(589)	(202,368)	–	(202,368)
Carrying amount	192,711	23,887	17,890	16,797	941	2,508	3,771	4,703	1,601	264,809	913	265,722

Notes to the Financial Report

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

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

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

	Depreciation Period years	Threshold Limit \$ '000
Asset recognition thresholds and depreciation periods		
Land and 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
footpaths and cycleways	80 - 100 years	5
aerodromes	80 - 100 years	5
others	80 - 100 years	5
Intangible assets	1 - 10 years	5

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

Valuation of land and buildings

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

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

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

The date and type of the current valuation is detailed in the following table. A full revaluation of these assets was conducted in 2024/25.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2025 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Land	—	22,623	—	Jun/25	Full
Specialised land	—	—	1,258	Jun/22	Full
Land under roads	—	—	16,212	Jun/25	Full
Heritage buildings	—	—	56	Jun/25	Full
Buildings	—	—	41,471	Jun/25	Full
Total	—	22,623	58,997		

Valuation of Infrastructure

Valuation of infrastructure assets for Roads (including off street car parks) and Footpaths and cycleways has been determined in accordance with an in house revaluations by management utilising a condition assessment undertaken by Peter Moloney (Dip CE. CE. EWS. MIE Aust) of Moloney Asset Management Systems with input from Richard Burbury Senior Asset Management Officer as at 30 June 2025.

The date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year on the following asset classes, Drainage and Bridges, this valuation was based on the Australian Bureau of Statistics - Civil engineering construction index 2024/25 2.8%. Drainage assets were revalued based on its age and replacement unit rates as at 30 June 2020. The next internal revaluation of Drainage assets is planned to be conducted in 2027/28. A full revaluation of Bridges was conducted by Chris Morton Principal Bridge Engineer, Pitt and Sherry in January 2022. A full revaluation of Bridges including condition assessment, is planned to be conducted in 2026/27.

Asset categories containing specific land and building items including, Parks open space and streetscape, Recreation leisure and community facilities, Waste management and Aerodomes were revalued by a qualified independent valuer Marcus L W Hann, AAPI, Certified Practising Valuer, of LG Valuation Services as at 30 June 2025.

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 2025 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Roads	—	—	192,710	Jun/25	Inhouse full valuation
Bridges	—	—	23,886	Jun/25	Indexed valuation
Footpaths and cycleways	—	—	17,890	Jun/25	Inhouse full valuation
Drainage	—	—	16,796	Jun/25	Indexed valuation
Recreational, leisure & community facilities	—	—	941	Jun/25	Full valuation

Notes to the Financial Report

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Waste management	—	—	2,509	Jun/25	Full valuation
Parks, open space & streetscapes	—	—	2,714	Jun/25	Full valuation
Aerodromes	—	—	4,703	Jun/25	Full valuation
Off street car parks	—	—	1,601	Jun/25	Inhouse full valuation
Total	—	—	263,750		

Valuation of Art Work

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

The standard AASB13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The assets valued in the Benalla Art Gallery Collection are considered to be level 2 in the AASB 13 Fair Value hierarchy. Briefly, level 2 is a measure of value against similar items in a similar market. Values ascribed were obtained from current market values of like items as at 30 June 2025.

Description of significant unobservable inputs into level 3 valuations

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

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

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

	2025 \$ '000	2024 \$ '000
Reconciliation of specialised land		
Land under roads	16,212	16,123
Land - specialised	22,653	20,829
Total specialised land	38,865	36,952

Notes to the Financial Report
for the year ended 30 June 2025

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity
Benalla Rural City Council is the parent entity.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors	Councillor Bernie Hearn ((Mayor) (Nov 24 - 30 June 2025)
	Councillor Justin King (Deputy Mayor) (July 24 - 30 June 2025)
	Councillor David Blore (Nov 24 - 30 June 2025)
	Councillor Peter Davis (July 24 - 30 June 2025)
	Councillor Punarji Hewa Gunaratne (July 24 - 30 June 2025)
	Councillor Jillian Merkel (Nov 24 - 30 June 2025)
	Councillor Nathan Tolliday (Nov 24 - 30 June 2025)
	Councillor Danny Claridge (Mayor) (July 24 - October 2024)
	Councillor Don Firth (July 24 - October 2024)
	Councillor Gail O'Brien (July 24 - October 2024)
	Peter Keane (Chief Executive Officer) (May 25 - 30 June 2025)
	Dom Testoni (Chief Executive Officer) (July 24 - January 2025)
	Robert Barber (General Manager Corporate) (July 24 - 30 June 2025)

	2025 No.	2024 No.
Total Number of Councillors	10	7
Total of Chief Executive Officer and other Key Management Personnel	3	2
Total Number of Key Management Personnel	13	9

Notes to the Financial Report

for the year ended 30 June 2025

Note 7. People and relationships (continued)

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2025 \$ '000	2024 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	729	734
Other long-term employee benefits	—	3
Post-employment benefits	45	48
Total	774	785

	2025 No.	2024 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	2	—
\$10,000 - \$19,999	3	—
\$20,000 - \$29,999	3	4
\$40,000 - \$49,999	2	1
\$60,000 - \$69,999	1	2
\$230,000 - \$239,999	1	1
\$240,000 - \$249,999	1	—
\$300,000 - \$309,999	—	1
	13	9

(d) Remuneration of other senior staff

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

	2025 \$ '000	2024 \$ '000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	163	160
Other long-term employee benefits	—	(17)
Post-employment benefits	18	18

Notes to the Financial Report

for the year ended 30 June 2025

Note 7. People and relationships (continued)

	2025 \$ '000	2024 \$ '000
Termination benefits	—	—
Total	181	161

	2025 No.	2024 No.
--	-------------	-------------

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

Income Range:

\$180,000 - \$189,999	1	1
	1	1

	2025 \$ '000	2024 \$ '000
Total remuneration for the reporting year for other senior staff included above, amounted to: *	181	161

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

	2025 \$ '000	2024 \$ '000
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7.2 Related party disclosure

(a) Transactions with related parties

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

During the period a key management person had a child receiving remuneration as a casual employee of Council.	22	19
During the period a key management person had a partners relative receiving payments as a contractor of Council.	81	—

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

There are no loans to / from related parties.:

(d) Commitments to/from related parties

There are no commitments to / from related parties.

Notes to the Financial Report

for the year ended 30 June 2025

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 2025 (2024: 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.

The Council identified \$100,000 as a potential contingent liability in regards to a design project.

Superannuation

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

Landfill

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

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.

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council assesses the impact of these new standards. As at 30 June 2025 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2025 that are expected to impact Council.

Notes to the Financial Report

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

In September 2024 the Australian Accounting Standards Board (AASB) issued two Australian Sustainability Reporting Standards (ASRS). This followed Commonwealth legislation establishing Australia's sustainability reporting framework. Relevant entities will be required to undertake mandatory reporting of climate-related disclosures in future financial years. Public sector application issues remain under consideration and Council will continue to monitor developments and potential implications for future financial years.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*.

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

(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 has 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 has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests 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 provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.5% and -1.5% in market interest rates (AUD) from year-end rates of 4.37%.

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

Notes to the Financial Report
for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

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.

Council has considered the amendments to AASB 13 Fair Value Measurement that apply for the 2024-25 financial year as a result of AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities. For assets, where the Council adopts a current replacement cost approach to determine fair value, the Council now considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

The AASB 13 amendments apply prospectively, comparative figures have not been restated.

Where Council has not been materially impacted by the amendments.
The AASB 13 amendments have not resulted in any material impacts to Council's financial statements.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

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

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

Asset Class	Revaluation frequency
Land	3 - 5 years
Buildings	3 - 5 years
Roads	3 - 5 years
Bridges	3 - 5 years

Notes to the Financial Report
for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

Footpaths and cycleways	3 - 5 years
Drainage	3 - 5 years
Recreational, leisure and community facilities	3 - 5 years
Waste management	3 - 5 years
Parks, open space and streetscapes	3 - 5 years
Aerodromes	3 - 5 years
Other infrastructure	3 - 5 years

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

Impairment of assets

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

8.5 Events occurring after balance date

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2025			
Property			
Land - specialised	—	1,825	1,825
Land - non specialised	—	67	67
Land and land improvements	15,565	—	15,565
Land under Roads	8,370	54	8,424
Heritage buildings	—	38	38
Buildings	17,481	6,581	24,062
	41,416	8,565	49,981
Plant and equipment			
Plant machinery and equipment	—	2	2
Fixtures fittings and furniture	—	3	3
Library books	84	(46)	38
Art Works	21,017	3,009	24,026
	21,101	2,968	24,069
Infrastructure			
Roads	80,712	44,806	125,518
Bridges	12,114	622	12,736
Footpaths and cycleways	1,879	10,898	12,777
Drainage	4,434	437	4,871
Recreational, leisure and community facilities	43	531	574
Waste management	785	189	974
Parks, open space and streetscapes	77	1,094	1,171
Aerodromes	3,151	296	3,447
Offstreet car parks	845	(525)	320
	104,040	58,348	162,388
Total asset revaluation reserves	166,557	69,881	236,438

Notes to the Financial Report

for the year ended 30 June 2025

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
2024			
Property			
Land and land improvements	15,565	–	15,565
Land under Roads	6,668	1,702	8,370
Buildings	15,953	1,528	17,481
	38,186	3,230	41,416
Plant and equipment			
Library books	106	(22)	84
Art Works	21,017	–	21,017
	21,123	(22)	21,101
Infrastructure			
Roads	70,015	10,697	80,712
Bridges	9,004	3,110	12,114
Footpaths and cycleways	1,168	711	1,879
Drainage	2,431	2,003	4,434
Recreational, leisure and community facilities	–	43	43
Waste management	785	–	785
Parks, open space and streetscapes	77	–	77
Aerodromes	323	2,828	3,151
Offstreet car parks	59	786	845
	83,862	20,178	104,040
Total asset revaluation reserves	143,171	23,386	166,557

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2025				
Restricted reserves				
Resort and Recreation	391	92	—	483
Benalla Urban Grown Headworks Charge	78	—	—	78
Lake Mokoan inlet Channel	695	—	—	695
Total restricted reserves	1,164	92	—	1,256
Total Other reserves	1,164	92	—	1,256
2024				
Restricted reserves				
Resort and Recreation	272	119	—	391
Winton Land	10	—	(10)	—
Benalla Urban Grown Headworks Charge	78	—	—	78
Lake Mokoan inlet Channel	695	—	—	695
Total restricted reserves	1,055	119	(10)	1,164
Total Other reserves	1,055	119	(10)	1,164

Reserve Nature and Purpose

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 9. Other matters (continued)

	2025 \$ '000	2024 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	9,919	1,787
Non-cash adjustments:		
Depreciation/amortisation	8,082	7,267
Impairment losses	(93)	–
Profit/(loss) on disposal of property, infrastructure, plant and equipment	337	(171)
Contributions - Non-monetary assets	(4,394)	(1,494)
Borrowing Cost	123	134
Finance Cost - leases	–	24
Assets written off	–	39
Other- Found assets	–	(387)
Other non-cash Landfill airspace amendment	(1,794)	–
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	2,557	677
(Increase)/decrease in inventories	4	18
(Increase)/decrease in prepayments	64	31
Increase/(decrease) in trade and other payables	(492)	1,342
Increase/(decrease) in provisions	(556)	(1,302)
Increase/(decrease) in trust funds and deposits	(175)	109
(Decrease)/increase in contract and other liabilities	2,205	(2,386)
Net cash provided by/(used in) operating activities	15,787	5,688

9.3 Superannuation

Council makes 50% 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 2025, this was 11.5% as required under Superannuation Guarantee (SG) legislation (2024: 11.0%)).

Defined Benefit

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

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

Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. As at 30 June 2024, an interim actuarial investigation was held as the Fund provides lifetime

Notes to the Financial Report
for the year ended 30 June 2025

Note 9. Other matters (continued)

pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2024 (of which Council is a contributing employer) was 105.4%. The financial assumptions used to calculate the VBI were:

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

As at 30 June 2025, 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 2025. The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2024 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years..

Employer contributions

(a) Regular contributions

On the basis of the results of the 2024 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 2025, this rate was 11.5% of members' salaries (11.0% in 2023/24). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

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

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 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 2024 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 2024 while a full investigation was conducted as at 30 June 2023.

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

	2024 (Interim)	2023 (Triennial)
	\$m	\$m
- A VBI Surplus	108.4	84.7
- A total service liability surplus	141.4	123.6
- A discounted accrued benefits surplus	156.7	141.9

Notes to the Financial Report

for the year ended 30 June 2025

Note 9. Other matters (continued)

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 2024.

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 2024.

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 2024.

The 2025 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2025 as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the VBI at 30 June 2025 was 110.5%. Council was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024). The financial assumptions used to calculate this VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.6% pa

It is anticipated that this actuarial investigation will be completed by 31 October 2025.

The 2023 triennial investigation

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

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

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2025 are detailed below:

Scheme	Type of scheme	Rate	2025 \$ '000	2024 \$ '000
Vision Super	Defined benefits	11.5% (2024:11.0%)	37	36
Vision Super	Accumulation	11.5% (2024:11.0%)	482	485
Hesta Superannuation Fund	Accumulation	11.5% (2024:11.0%)	68	62
Australian Superannuation Fund	Accumulation	11.5% (2024:11.0%)	89	86
VicSuper Superannuation Fund	Accumulation	11.5% (2024:11.0%)	96	—
Hostplus Superannuation Fund	Accumulation	11.5% (2024:11.0%)	44	38
Employer contributions - other funds	Accumulation	11.5% (2024:11.0%)	486	507

Notes to the Financial Report
for the year ended 30 June 2025

Note 9. Other matters (continued)

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling nil paid during the 2024/25 year. 2023/24 nil paid during the 2023/24 year.

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2025.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$38,000.

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Notes to the Financial Report
for the year ended 30 June 2025

Note 10. Changes in accounting policies

There have been no changes to accounting policies in the 2024-25 year.

Draft



Benalla Rural City Council Performance Statement

For the Year Ended 30 June 2025

PO BOX 227
Benalla VIC 3671

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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.

Cathy Fitzpatrick

Principal Accounting Officer

Dated:

In our opinion, the accompanying performance statement of the *Benalla Rural City Council* for the year ended 30 June 2025 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

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

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

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

Cr Bernie Hearn

Mayor

Dated:

Cr Justin King

Councillor

Dated: (Date)

Peter Keane

Chief Executive Officer

Dated:

Victorian Auditor - General's Office Audit Report

Draft

Section 1: Description of municipality

Description of municipality

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

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

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

Draft

Section 2: Service performance indicators

For the year ended 30 June 2025

Service / Indicator Measure	Results					Material Variations
Service	2022	2023	2024	2025		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4	5	4	NA	5	This measure has increased due to the significant expansion of Swimming Lesson program to 7 days a week, resulting in increased utilisation.
Animal Management Health and Safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	60%	100%	100%	NA	100%	
Food Safety Health and Safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	0%	0%	0%	NA	0%	

Service performance indicators

For the year ended 30 June 2025

Service / Indicator Measure	Results					Material Variations
Service	2022	2023	2024	2025		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Governance Satisfaction <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with the consultation and engagement efforts of Council]	47	42	42	50	49	This measure has increased due to positive publicity regarding key Council projects.
Libraries Participation <i>Library membership</i> [Percentage of the population that are registered library members] x100	NA	NA	27%	NA	28%	
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	88%	85%	83%	NA	80%	
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	89%	96%	95%	NA	100%	

Service performance indicators

For the year ended 30 June 2025

Service / Indicator Measure	Results					Material Variations
Service	2022	2023	2024	2025		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Roads Condition <i>Sealed local roads below the intervention level</i> [Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal]	94%	94%	94%	95%	91%	
Statutory Planning Service Standard <i>Planning applications decided within the relevant required time</i> [Percentage of planning application decisions made within the relevant required time]	88%	74%	67%	80%	70%	
Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	60%	59%	58%	62%	55%	

Section 3: Financial Performance Indicators

For the year ended 30 June 2025

Measure	Results					Forecasts				Material Variations
Service	2022	2023	2024	2025		2026	2027	2028	2029	Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,219	\$4,862	\$4,284	\$4,589	\$4,441	\$4,402	\$4,447	\$4,518	\$4,595	
Revenue level <i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$1,951	\$1,997	\$2,056	NA	\$2,119	\$2,186	\$2,218	\$2,251	\$2,285	

Financial Performance Indicators

For the year ended 30 June 2025

Measure	Results					Forecasts				Material Variations
Service	2022	2023	2024	2025		2026	2027	2028	2029	Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	198%	268%	310%	241%	330%	300%	328%	338%	374%	Material variation to budget due to current assets being \$15.366 million more than budget, primarily due to unexpended capital project grant funding and early receipt of operating grant funding.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	52%	26%	62%	NA	37%	225%	247%	256%	290%	Council considers current definition of “unrestricted cash” misleading as it excludes investments with a maturity date of 90 days. At 30 June 2025, \$25.9 million of uncommitted cash as held to fund operations, projects and capital works. Careful and timely treasury management used to maximise investment returns and to ensure cash availability.

Financial Performance Indicators

For the year ended 30 June 2025

Measure	Results					Forecasts				Material Variations
Service	2022	2023	2024	2025		2026	2027	2028	2029	Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	19%	14%	10%	NA	7%	6%	4%	3%	2%	Debt reduced by \$585,000 in 2024/25. New borrowings included in 2025/26 Budget to part fund capital works program.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	6%	5%	3%	NA	3%	2%	2%	1%	1%	

Financial Performance Indicators

For the year ended 30 June 2025

Measure	Results					Forecasts				Material Variations
Service	2022	2023	2024	2025		2026	2027	2028	2029	Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	59%	55%	46%	NA	42%	45%	44%	42%	41%	
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	47%	90%	73%	103%	67%	129%	83%	89%	69%	Material variation to budget due to asset renewal expenditure being \$3.527 million less than budget.
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	6%	7%	-9%	NA	11%	-1%	1%	1%	0%	Result significantly improved from 2023/24 due to timing of Financial Assistance Grants funding - 2023/24 allocation prepaid in 2022/23 and 2025/26 allocation part prepaid in 2024/25.

Financial Performance Indicators

For the year ended 30 June 2025

Measure	Results					Forecasts				Material Variations
Service	2022	2023	2024	2025		2026	2027	2028	2029	Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	55%	48%	66%	65%	54%	64%	64%	64%	64%	Adjusted underlying revenue impacted by timing of Financial Assistance Grants funding - 2023/24 allocation prepaid in 2022/23 and 2025/26 allocation part prepaid in 2024/25.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.59%	0.47%	0.41%	NA	0.42%	0.43%	0.44%	0.45%	0.45%	

Section 4: Sustainable Capacity Indicators

For the year ended 30 June 2025

Indicator Measure	Results				Material Variations
Measure	2022	2023	2024	2025	Comments
	Actual	Actual	Actual	Actual	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,438	\$2,788	\$2,505	\$2,610	Increased result primarily due to a \$58.3 million increase in value of infrastructure assets.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$17,312	\$17,213	\$18,997	\$24,039	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	11	11	11	11	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,744	\$1,775	\$1,951	\$1,992	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$656	\$648	\$212	\$796	Result significantly increased due to timing of Financial Assistance Grants funding - 2023/24 allocation prepaid in 2022/23 and 2025/26 allocation part prepaid in 2024/25.

Sustainable Capacity Indicators

For the year ended 30 June 2025

Indicator Measure	Results				Material Variations
Measure	2022	2023	2024	2025	Comments
	Actual	Actual	Actual	Actual	
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	2	3	3	3	
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8.5%	29.6%	9.5%	9.3%	

Section 5: Notes to the accounts

5.1 Basis of preparation

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

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

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by *the Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2025-26 to 2028-29 by the council's financial plan.

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

5.2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> ▪ non-recurrent grants used to fund capital expenditure; and ▪ non-monetary asset contributions; and ▪ contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

5.3. Other matters

Overview of 2024/25

In 2024/25 revenue totalled \$48.112 million, \$10 million more than budget resulting in a surplus of \$9.919 million. Increased revenue was primarily due to early receipt of operating grant income (\$2.944 million) and unbudgeted non-monetary contributions of \$4.6 million.

Expenditure of \$38.193 was generally in line with budget, resulting in a \$9.919 million surplus, \$9.736 million more than budget.

Capital works expenditure totalled \$6.275 million, \$4.741 million less than budget. The difference was primarily due to delays in the delivery of key building (Benalla Art Gallery Redevelopment) and waste management (rehabilitation works) projects. New asset expenditure totalled \$1.414 million, asset renewal expenditure \$3.040 million and asset upgrade expenditure \$1.821 million.

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Governance and Management Checklist

For the year ended 30 June 2025

Governance and Management Items		Assessment
1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act. Date of adoption: 02/23/2022
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation. Date of commencement: 02/23/2022
3	Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act. Date of adoption: 06/29/2022
4	Asset Plan (plan that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act. Date of adoption: 06/29/2022
5	Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act. Date of adoption: 06/25/2025
6	Annual budget (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act. Date of adoption: 06/25/2025
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of commencement: 09/13/2019
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of commencement: 09/13/2019
9	Municipal emergency management planning (Participation in meetings of the Municipal Emergency Management Planning Committee.)	Municipal Emergency Management Planning Committee (MEMPC) meetings attended by one or more representatives of Council (other than the chairperson of the MEMPC) during the financial year. Dates of MEMPC meetings attended: 19/06/2025 10/04/2025 21/08/2024
10	Procurement policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act. Date of commencement: 06/28/2023
11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date of commencement: 12/09/2016

Governance and Management Items		Assessment
12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date of commencement: 12/09/2016
13	Complaint policy (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.)	Policy developed in accordance with section 107 of the Act. Date of commencement: 08/21/2021
14	Workforce plan (Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation.)	Plan developed in accordance with section 46 of the Act. Date of commencement: 12/17/2021
15	Payment of rates and charges hardship policy (Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates.)	Current policy in operation Date of commencement: 06/29/2022
16	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of commencement: 09/19/2019
17	Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act. Date of commencement: 08/26/2020
18	Internal audit (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: 08/17/2022
19	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Current framework in operation Date of adoption: 07/01/2014
20	Council Plan report (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)	Current report Date of report: 03/19/2025
21	Quarterly budget reports (quarterly reports 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. Date of report: Council Meeting 16/10/2024 - September Quarter Report Council Meeting 12/02/2025 - December Quarter Report F&P Committee 14/05/2025 - March Quarter Report Council Meeting 25/06/2025 - Budget Report
22	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reports prepared and presented Dates of reports: Presented at Audit and Risk Committee Meetings: 10/12/2024 20/05/2025

Governance and Management Items		Assessment
23	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act)	Performance reports prepared Dates of reports: Annual Report - Council Meeting 23/10/2024 Half Yearly Report - Council Meeting 19/03/2025
24	Annual report (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)	Annual report presented at a meeting of Council in accordance with section 100 of the Act. Date of presentation: 10/23/2024
25	Councillor Code of Conduct (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 and adopted: 10/26/2024 From 26 October 2024, the Local Government Act 2020 requires all councillors to observe the Model Councillor Code of Conduct (Model Code of Conduct). The Model Code of Conduct is prescribed in Schedule 1 to the Local Government (Governance and Integrity) Regulations 2020.
26	Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 11(7) of the Act. and a register kept in accordance with sections 11(8) and 47(7) of the Act. Date of review: 09/27/2024
27	Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date rules adopted: 02/12/2024

2. Urgent Business

Business can only be admitted as urgent business by resolution of the council, and only then if it:

- relates to or arises out of a matter which has arisen since distribution of the agenda; and
- cannot be deferred until the next Council Meeting without having a negative impact on the Council, the municipality or the local community; and
- cannot be addressed through the Customer Request Management System.

A Councillor proposing that a matter be admitted as urgent business must lodge it in writing with the Chief Executive Officer by 4pm on the day of the meeting.

The Chief Executive Officer will advise the Mayor of any matter that the Chief Executive Officer determines appropriate for the Council to consider admitting as urgent business.

Closure of the meeting