

Annual Report

2024/25



Acknowledgement of Country

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



Contents

Message from the CEO	2
Our Year at a Glance	4
Financial Summary	9
About Us	12
Our Council	13
Our Municipality	14
Our Councillors	16
Our Organisation	17
Our Workforce	18
Our Performance	21
How Council Works	22
Service Performance Indicators	23
Description of Operations	28
Strategic Objectives	29
● Theme 1: Community	30
● Theme 2: Liveability	36
● Theme 3: Economy	38
● Theme 4: Environment	40
● Theme 5: Leadership	42
Statutory Information	44
Accountability and Governance	46
Governance and Management Checklist	54
Performance Statement	57
Financial Report	72

Message from the CEO



This past year has been one of resilience, recovery, and progress for Benalla Rural City. With the election of a new Council, we've welcomed fresh ideas and renewed energy to deliver for our community while continuing to build on our shared vision for Benalla's future.

The Benalla Rural City Council 2024/25 Annual Report provides a comprehensive summary of the services that we have delivered over the past 12 months.

In the last year and following five natural disaster events in just two years, Council has worked closely with residents, businesses, and farmers to repair damaged infrastructure. With critical funding support from both the Victorian and Federal Governments, we have been able to help our community recover and move forward with confidence.

At the same time, we have advanced several strategic initiatives that will shape Benalla's long-term prosperity. The Enterprise Park Industrial Precinct is progressing, creating space for new businesses, jobs, and economic diversification.

We are supporting the expansion of local housing estates to meet demand and provide more opportunities for families to call Benalla home. Council has also continued to back renewable energy projects, positioning Benalla as a regional leader in clean energy while strengthening Council's long-term financial sustainability.

Our community spirit shone brightly throughout the year. The Benalla Festival once again brought us together to celebrate everything we love about our home, while the Benalla Street Art Festival reached new heights, attracting record visitors and further cementing Benalla's reputation as a must-see arts and culture destination.

The 2025 Community Satisfaction Survey provided valuable insights into how we are performing. Pleasingly, Benalla Rural City recorded improvements in areas such as:

- Customer service, where satisfaction rose above the state average.
- Community consultation and engagement, reflecting Council's commitment to listening and responding to community feedback.
- Advocacy, reflecting the effort Council has placed on lobbying on behalf of the community at all levels of government.

At the same time, the survey identified areas where improvement continues to be required, particularly in local roads and the condition of local streets and footpaths. These insights are helping guide our priorities to ensure we focus on the services and projects that matter most to our community.

Council ended the financial year in a strong position, delivering an operating surplus of \$9.9 million in 2024/25, with inclusion of developer contributions and early Federal Assistance Grant Funding payments. This result reflects disciplined financial management and targeted investment in priority projects. A year-end cash balance of \$9 million provides Council with flexibility to plan for the future while maintaining the quality of services our community expects.

We remain committed to long-term financial sustainability — balancing community expectations with efficient service delivery. A key part of this is continued advocacy for additional State and Federal investment in asset renewal, which remains a critical challenge for Benalla Rural City now and into the future.

In 2024/25, Council delivered more than \$6 million in capital works across the municipality. Projects included:

- Replacement and upgrade of Link Island Bridge.
- Drainage renewal and culvert upgrade works at Racecourse Road and Gillies Street.
- Webb Road culvert upgrades in Goomalibee.
- Sealing of road shoulders on Devenish Road between Devenish and Goorambat.
- Installation of a Flying Fox in the Fawckner Drive Precinct.
- All-Abilities playground in McKellar Street.
- Devenish Playground Fencing to improved playground safety.

Along with the delivery of the road resealing and gravel road re-sheeting program across the Council area, to improve safety and connectivity.

Together, these projects are making Benalla Rural City and its rural townships, safer, better connected, and more vibrant places to live.

None of these achievements would be possible without the people who make our community strong. I thank our Councillors for their leadership, our staff for their dedication, and our volunteers for their tireless contributions. We are also deeply grateful to the Victorian and Australian Governments for their financial and strategic support, which has been vital in recovery and the delivery of major projects.

Despite the challenges of the past year, we have achieved a great deal together. Benalla Rural City's future is bright, and I am proud to work alongside you to build a stronger, more connected, and more resilient community.



Peter Keane
Chief Executive Officer

Our Year at a Glance

JULY 2024

For National Tree Planting Day, 45 volunteers of all ages joined with the Regent Honeyeater Project to plant more than 300 native trees and shrubs at Psaltis Reserve, enhancing local biodiversity and community connections.



JULY 2024

During the development of the Fawckner Drive Masterplan, the community identified a pump track as a priority project. In addition to the \$300,000 grant from the Victorian Government, an additional \$1 million was received as part of round one of the Victorian Government's Regional Community Sports Infrastructure Fund. The funds will be put towards the development of a pump track and the precinct.



JULY 2024

Benalla celebrated NAIDOC week under the theme 'The Next Generation: Strength, Vision and Legacy' drawing an impressive turnout of more than 250 community members. The celebrations marked a significant moment of unity and respect.



AUGUST 2024

Benalla hosted the North East Waste and Recycling Forum, bringing together more than 25 council and Alpine Resort representatives. The forum provided a collaborative platform to address regional waste challenges, share innovation and strengthen sustainable waste management practices.



AUGUST 2024

Part of the Lake Benalla Boardwalk, near the Benalla Art Gallery, was renewed using sustainable materials made from waste wood and recycled plastic. The smoother surface improves accessibility, enhancing community use of one of Benalla's greatest assets.



SEPTEMBER 2024

As part of the September School Holidays Program, Butterfly Kidz visited the Benalla Visitor Information Centre, delighting more than 50 children. The magical mobile enclosure offered a unique opportunity to experience, interact with and enjoy live butterflies up close.



NOVEMBER 2024

New accessible and inclusive play equipment was installed at Mackellar Street Reserve, transforming the space into a welcoming environment for children of all abilities. The upgrade ensured that all members of the community could enjoy the benefits of outdoor play.



SEPTEMBER 2024

Benalla rocked out to a musical showdown as Council's youth services FReeZA program, proudly presented the North-East Battle of the Bands – Benalla Heat. With the winners going on to play at Benalla by the Lake as part of the Benalla Festival. Battle of the Bands is a celebration of the extraordinary young talent from across North-East Victoria.

The event, organised by FReeZA, emphasises a commitment to a safe and inclusive environment.



OCTOBER 2024

Council's free green waste weekend saw residents dispose of 257m³ of green waste at the Benalla Landfill and Resource Recovery Centre. The collected green waste did not go to waste; instead, it was mulched and repurposed for environmental benefits. The mulch produced from the green waste is used at the Benalla Landfill and Resource Recovery Centre for erosion prevention and to promote grass growth.



NOVEMBER 2024

November saw the return of The Benalla Festival celebrated with the theme 'Hidden Gems'. Festival organisers were delighted with the attendance across all events, with record numbers for Benalla by the Lake.



NOVEMBER 2024

The Benalla Rural City Council election was declared by the Victorian Electoral Commission, resulting in Peter Davis, Nathan Tolliday, Justin King, David Blore, Bernie Hearn, Jillian Merkel and Puna Gunaratne being elected as Councillors. Cr Bernie Hearn was appointed Mayor, with Cr Justin King as Deputy Mayor.



DECEMBER 2024

The community came together for a spectacular community Christmas celebration, bringing together families and friends for an unforgettable evening of joy and festivities at the Splash Park. Highlights included a visit from Santa and the ceremonial lighting of the town Christmas tree, creating a radiant centerpiece for the festivities.



JANUARY 2025

Council began work on the *Council Plan 2025–2029*, collaborating with Ninety Mile Consulting and, for the first time, a Community Panel made up of diverse local residents. This approach ensures the plan reflects the priorities and aspirations of the Benalla Rural City community.



JANUARY 2025

Australia Day events were held in Baddaginnie, Benalla, Devenish, Goomalibee, Goorambat, Lima/Swanpool, Molyullah, Tatong, Thoona and Warrenbayne. The Australia Day Awards and Citizenship Ceremony were held at the Benalla Town Hall, welcoming five new Australian Citizens.



FEBRUARY 2025

Council's Social Inclusion Action Group hosted the Creating Community Connections Expo, welcoming more than 600 attendees. More than 70 local groups, sporting clubs, volunteer organisations and services came together to connect, share and inspire, strengthening the sense of community in Benalla.



FEBRUARY 2025

A brand-new street sweeper has been added to Benalla Rural City Council's fleet, enhancing service delivery across the municipality. With greater reach, increased capacity and improved efficiency, the sweeper helps keep streets and drainage systems clear, protecting the environment and supporting cleaner, safer communities.



MARCH 2025

Council's leading youth mental health program, Live4Life Benalla, inducted more than 45 new and returning Year 9 and 10 students as 2025 Mental Health Ambassadors. Representing FCJ College and Benalla P-12 College. These young leaders will run activities that build mental health awareness. Now in its eighth year, Live4Life Benalla has engaged more than 200 local volunteers.



APRIL 2025

The 2025 Benalla Street Art Festival was a resounding success! Locals and visitors enjoyed watching on as 10 incredible artists created vibrant murals adorning Benalla's CBD.

The festival was supported by a diverse line-up of fringe events, including live music, artist talks, immersive art experiences, workshops, exhibitions and much more.



APRIL 2025

We celebrated our 21 incredible L2P Volunteer Mentors, who together contributed over 1,736 hours helping learner drivers over the past year. Thanks to their dedication, 29 learner drivers successfully obtained their probationary licences, making a positive impact on road safety in our community.



MAY 2025

Council delivered important drainage projects to help protect the community from future flooding. Works on the East and West Main Drains included desilting, reshaping and clearing vegetation to improve capacity and water flow, along with installing new culverts and erosion controls. Council also worked with developers on residential and industrial subdivisions to ensure stormwater was managed effectively, reducing localised flooding risks and safeguarding homes, properties and roads.



MAY 2025

Sip, Savour and Socialise was held at the Baddaginnie Jubilee Hall, celebrating community spirit and the importance of staying socially connected. Organised by Baddaginnie Community Inc and supported by the Social Inclusion Action Group, the event highlighted local producers and fostered meaningful connections.



MAY 2025

Mr Peter Keane was appointed Chief Executive Officer of Benalla Rural City Council for a four-year term commencing 1 May 2025. With extensive local government and commercial experience, he brings strong leadership, project management and advocacy skills to the role. His appointment marks a new chapter for Council, focused on delivering quality services and positive outcomes for the community.



MAY 2025

Six new dads and their adorable bubs enjoyed a night out at the Tatong Tavern as part of our First Time Dads Group, building connections and sharing their parenting journeys in a relaxed, supportive setting.



JUNE 2025

Benalla Rural City marked National Reconciliation Week with the launch of Council's first Reflect Reconciliation Action Plan. The plan demonstrates Council's commitment to strengthening relationships, fostering respect and creating meaningful opportunities with First Nations peoples across the community.



JUNE 2025

Council launched the *Destination Management Plan 2025–2029*, shaping Benalla and surrounds into a vibrant hub of creativity, culture and opportunity, showcasing the region as a place where visitors can see the art in everything.



JUNE 2025

The Link Island Footbridge on Jaycee Island was reopened after undergoing full repairs, restoring a vital connection to the Lake Benalla Walking Track. Closed after sustaining significant damage during recent floods, the renewed footbridge now provides safe and reliable access for walkers, runners and visitors. Its reopening strengthens community access to one of Benalla's most valued recreational areas, encouraging outdoor activity and enhancing enjoyment of the lake environment.



JUNE 2025

A new water pump was installed at Casey's Weir, providing vital support to farmers across the municipality during ongoing drought conditions. The pump offers free, easy access to Broken River water for stock and domestic use, helping local farmers manage limited supplies and care for livestock. Clear instructions are provided onsite to ensure safe and effective use.



JUNE 2025

Council and the Molyullah Recreation Reserve and Public Hall Committee completed four major upgrades at Molyullah Hall, including a new undercover area, upgraded toilets, children's playground and refurbished Fish and Chip shed. These improvements enhance community connection, wellbeing and support popular local events. The project was funded through the Australian Government's Local Roads and Community Infrastructure Program.



Financial Summary

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

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

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.

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.

Adjusted Underlying Result

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.

Liquidity

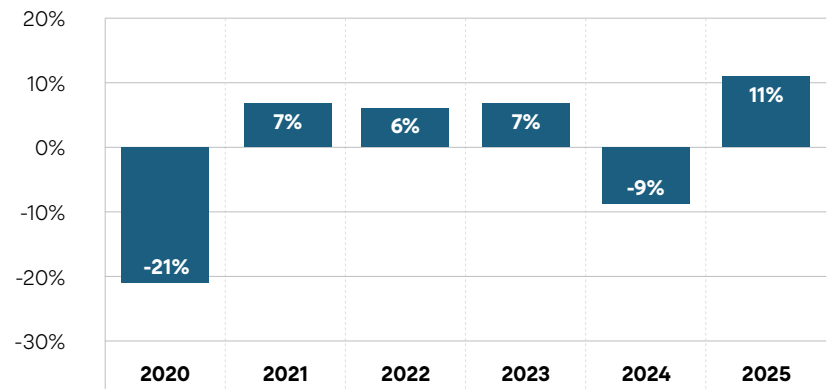
Liquidity increased primarily due to an increase in current assets from 2023/24 which was predominantly the result of cash and cash equivalents increasing from \$26.680 million in 2023/24 to \$34.875 million in 2024/25.

Current liabilities increased by \$1.042 million, primarily due to an increase in contract and other liabilities which rose from \$290,000 in 2023/24 to \$2.495 million in 2025/26. The increase was partially off-set by a \$492,000 decrease in trade and other payables.

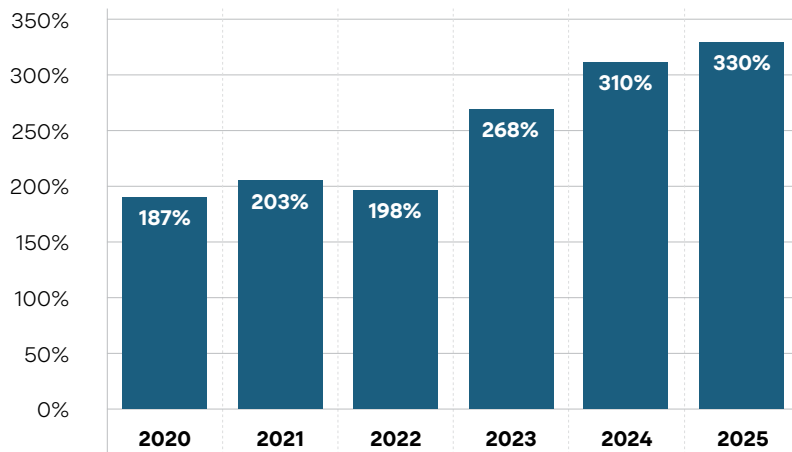
The working capital ratio, which assesses the Council's ability to meet current commitments, is calculated by measuring the Council's current assets as a percentage of current liabilities.

The 2024/25 result of 330 per cent is an indicator of satisfactory financial position and within the target band.

Adjusted Underlying Result



Working Capital Ratio



Borrowings

There were no new borrowings in 2024/25. Interest bearing liabilities decreased from \$2.250 million in 2023/24 to \$1.665 million in 2024/25. Council's indebtedness ratio decreased from 46 per cent (2023/24) to 42 per cent (2024/25).

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

	2021/22 '000	2022/23 '000	2023/24 '000	2023/24 '000
Total Revenue	\$39,300	\$45,310	\$38,178	\$23,304
Total Expenses	\$34,449	\$40,132	\$36,391	\$38,193
Surplus (Deficit)	\$4,851	\$5,178	\$1,787	\$9,919
Rates and Charges	\$19,978	\$21,000	\$22,263	\$23,304
Working Capital	198%	268%	310%	330%
Total Assets	\$320,640	\$328,175	\$350,453	\$430,594
Net Assets	\$289,105	\$301,684	\$326,856	\$406,652
Adjusted Underlying Result	6%	7%	-9%	11%
Asset Renewal and Upgrade	47%	90%	73%	103%
Indebtedness	59%	55%	46%	42%
Capital Projects	\$6,525	\$7,458	\$7,014	\$6,275

Major Capital Works

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

Economic Factors Update

Council continues to operate in a complex and evolving economic and policy environment. Inflationary pressures, rising construction costs and increased service demands continue to place a strain on Council's financial resources.

The cost of delivering infrastructure and services continues to grow, while revenue remains constrained under the Victorian Government's rate capping framework. The rate cap was set at 2.75 per cent for 2024/25. Council did not seek an exemption.

Residents are experiencing higher living costs, affecting household budgets and discretionary spending. This trend has implications for local businesses and community services, which may see changes in demand and operational costs.

Significant Events Update

In 2024/25, Council did not experience a major natural disaster events but did finalise the delivery and acquittal of several flood repair infrastructure projects.

Significant organisational resources were invested to transform the way we deliver a range of services. During the year, new systems were introduced for the several business functions: Records Management, Planning, Building and Regulatory services.

Preparations also started for the implementation of a new corporate enterprise system in the first half of the 2025/26 financial year.

We will continue to work with our shared services project partners, Mansfield, Murrindindi, and Strathbogie councils, to introduce innovative ways to deliver services to our communities.

About Us



Our Council



Benalla Rural City Council
PO Box 227, Benalla VIC 3671

Customer Service Centre
1 Bridge Street East, Benalla

T 03 5760 2600

E council@benalla.vic.gov.au

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Vision

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

Purpose

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

Values

We will:

— ACCOUNTABILITY

Construct plans and govern the community of Benalla Rural City with unwavering accountability.

— CONTINUOUS IMPROVEMENT

Strive for continuous improvement.

— EQUITY

Make judgments based on sound research and participate in decision making that meets the needs of the whole community in solid equity.

— INTEGRITY

Act with transparency, truthfulness and integrity.

— LEADERSHIP

Provide clear, innovative and strong leadership.

— RESPECT

Serve our community, environment and council with respect.

Our Municipality



POPULATION

14,635



TO MELBOURNE

193 km



COUNCIL EMPLOYEES

115.4 EFT



AREA

235,264 ha



RATEABLE PROPERTIES

8,600



COUNCILLORS

7



TOWNSHIPS

Baddaginnie
Benalla
Boweya
Chesney Vale
Devenish
Goomalibee
Goorambat
Lima
Lurg
Molyullah
Moorngag
Swanpool
Tatong
Thoona
Warrenbayne
Winton

Benalla Rural City is 193km north-east of Melbourne and is centred on the Broken River. The current estimated resident population of Benalla Rural City is 14,529¹, with approximately 9,000 residents in the Benalla urban area and the remainder living in and around our smaller towns.

Benalla Rural City sits on the traditional lands of the Taungurung and Yorta Yorta peoples, whose enduring connection to Country continues to shape the region's identity. Council acknowledges their custodianship and is committed to respectful collaboration, cultural preservation, and reconciliation.

Located in North-east Victoria, around two hours from Melbourne, Benalla Rural City is home to more than 14,500 people. Over one-third live in rural communities beyond the township of Benalla, contributing to a strong rural lifestyle and industry. While English is the primary language spoken at home, Punjabi is now the second most common, reflecting the growth of a vibrant South Asian community and the region's evolving cultural diversity.

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

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

Our largest employing industries are health, manufacturing and agriculture. The main health sector employers include Benalla Health, Estia Health and Cooinda Aged Care. The manufacturing sector includes Thales Australia, ForestOne, Schneider Electric (Australia) Pty Ltd and LS Precast.

¹. ABS Estimated Resident Population 2024

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

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

Benalla Rural City offers a choice of primary and secondary schools, a TAFE college, comprehensive health services and participation opportunities including sport, music, wine and art.

Some of the main visitor attractions include Winton Motor Raceway, Benalla Art Gallery, Winton Wetlands, the Silo Art Trail and Street Art in and around Benalla.



Our Councillors



**Cr Bernie
Hearn**

First elected: Nov 2016
Re-elected: Nov 2024



**Cr Justin
King**

First elected: Nov 2012
Re-elected: Nov 2024



**Cr Peter
Davis**

First elected: Nov 2005
Re-elected: Nov 2024



**Cr Puna
Hewa Gunaratne**

First elected: Nov 2020
Re-elected: Nov 2024



**Cr David
Blore**

First elected: Nov 2024



**Cr Jillian
Merkel**

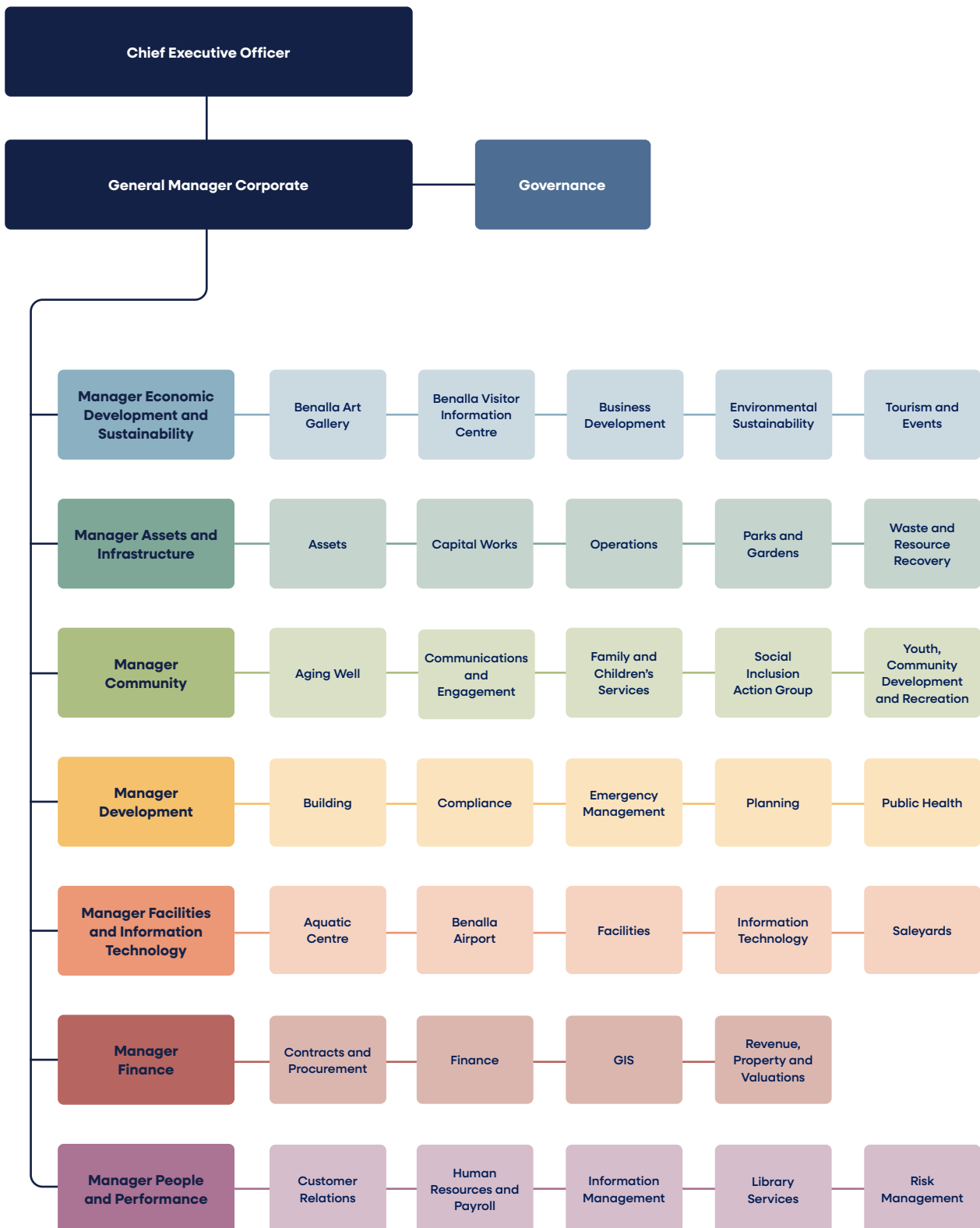
First elected: Nov 2024



**Cr Nathan
Tolliday**

First elected: Nov 2024

Our Organisation



Our Workforce

Employees by gender

	Number	EFT
Full-time – female	30	30
Full-time – male	56	56
Full-time – self-described gender	0	0
Part-time – female	51	27.1
Part-time – male	8	2.3
Part-time – self-described gender	0	0
Casual	10	10
Total	155	115.40

Employees by band

	Female EFT	Male EFT	Self-described gender EFT	Total EFT
Band 1	2.3	0.8	0	3.1
Band 2	0	0	0	0
Band 3	0.1	14.5	0	14.6
Band 4	16.92	13.73	0	30.7
Band 5	8.5	6.0	0	14.5
Band 6	17.0	3.38	0	20.4
Band 7	6.0	7.0	0	13.0
Band 8	1.0	8.0	0	9.0
Band not applicable	5.20	5.0	0	10.2
Casual	5	5	0	10
Total EFT			0	125.4

Victorian Charter of Human Rights and Responsibilities

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

Health and Safety

Benalla Rural City Council remains committed to providing a safe, healthy, and supportive environment for all employees, contractors, volunteers, and community members. We prioritise wellbeing and risk management across all areas of our operations, ensuring that health and safety practices are embedded in our culture and decision-making.

Council continues to improve its approach to occupational health and safety (OHS) through the implementation of robust systems and proactive initiatives.

We continue to support employees in the use of our online reporting platform to streamline the notification and management of incidents and hazards, improving responsiveness and transparency across the organisation.

To ensure we embed a culture of safety from day one, we conducted comprehensive OHS inductions for all new staff, equipping them with the knowledge and tools to contribute to a safe working environment.

These initiatives reflect our ongoing commitment to fostering a workplace where safety is everyone's responsibility and continuous improvement is the standard.

Learning and Development

Benalla Rural City Council recognises the benefit of supporting staff to increase their professional development. Council acknowledges the value gained from staff advancing their qualifications and acquiring enhanced skills and knowledge that can be applied throughout the workplace.

Individual training needs are identified through the Annual Staff Performance Reviews. Study assistance is offered to staff undertaking relevant studies.

Staff engage in a broad range of learning and development programs each year, focusing on a mix of on-the-job experience, online and instructor lead training and formal education.

Employee Assistance Program

Council offers a free, confidential Employee Assistance Program giving all staff access to an extensive range of professional support services if they are experiencing difficulties in their personal or professional lives.

The service offers face-to-face counselling as well as appointments out of business hours.

Preventing Violence Against Women

The Benalla Rural City Council *Gender Equality Action Plan (GEAP) 2021-2025* forms part of a strategy that will support Council to be a more inclusive and gender diverse place to live and work. Our GEAP outlines our long-term plan in relation to gender equality, diversity and inclusion and details our objectives and what we will undertake to meet our obligations under the *Gender Equality Act 2020*.

Benalla Rural City Council is committed to addressing the impact of family violence in the community by raising awareness through the organisation and working in partnership with Family Violence Support Services.

As an organisation we will embed a culture of primary prevention throughout our organisation and community. Our *Workplace Family Violence Policy* supports staff who are experiencing family violence through the provision of unlimited Family Violence Leave to attend medical appointments, legal proceedings and/or other preventative activities.

Family violence is a serious issue in our society. The Council is committed to playing a supportive role to staff subjected to family violence and in any other personal emergency. The Council accepts the definition of family violence as stipulated in the *Family Violence Protection Act 2008 (Vic)* understanding that it includes physical, sexual, financial, verbal or emotional abuse.

Benalla Rural City Council is a recipient of the 2024-2027 Victorian Government's Free from Violence funding.

The Free from Violence initiative works to build safer, more inclusive communities by increasing awareness and understanding of the drivers of family violence and all forms of violence against women. It focuses on stopping violence before it starts — by fostering positive attitudes, behaviours, and cultural change across workplaces, councils, and local communities.

Through this funding, Benalla Rural City Council is delivering a range of training, events, and community-facing activities designed to strengthen education, deepen understanding, and inspire action. These initiatives not only build the capacity of staff and community members but also reinforce that everyone has a vital role to play in preventing family violence and creating a community where respect, equality, and safety are at the centre of everyday life.

Equal Employment Opportunity

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

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

Gender Equality

The *Gender Equality Act 2020* requires defined entities such as Victorian councils to take positive action towards achieving workplace gender equality.

Council participates in the People Matter Survey using these results to develop initiatives that will create an organisation where all employees have an equal lived experience, and where gender, disability and cultural background are not barriers in recruitment, promotion, learning, professional development and employment conditions.

Council has a *Gender Equality Action Plan (GEAP) 2021-2025* and the actions from the action plan continue to be implemented.

Our Performance

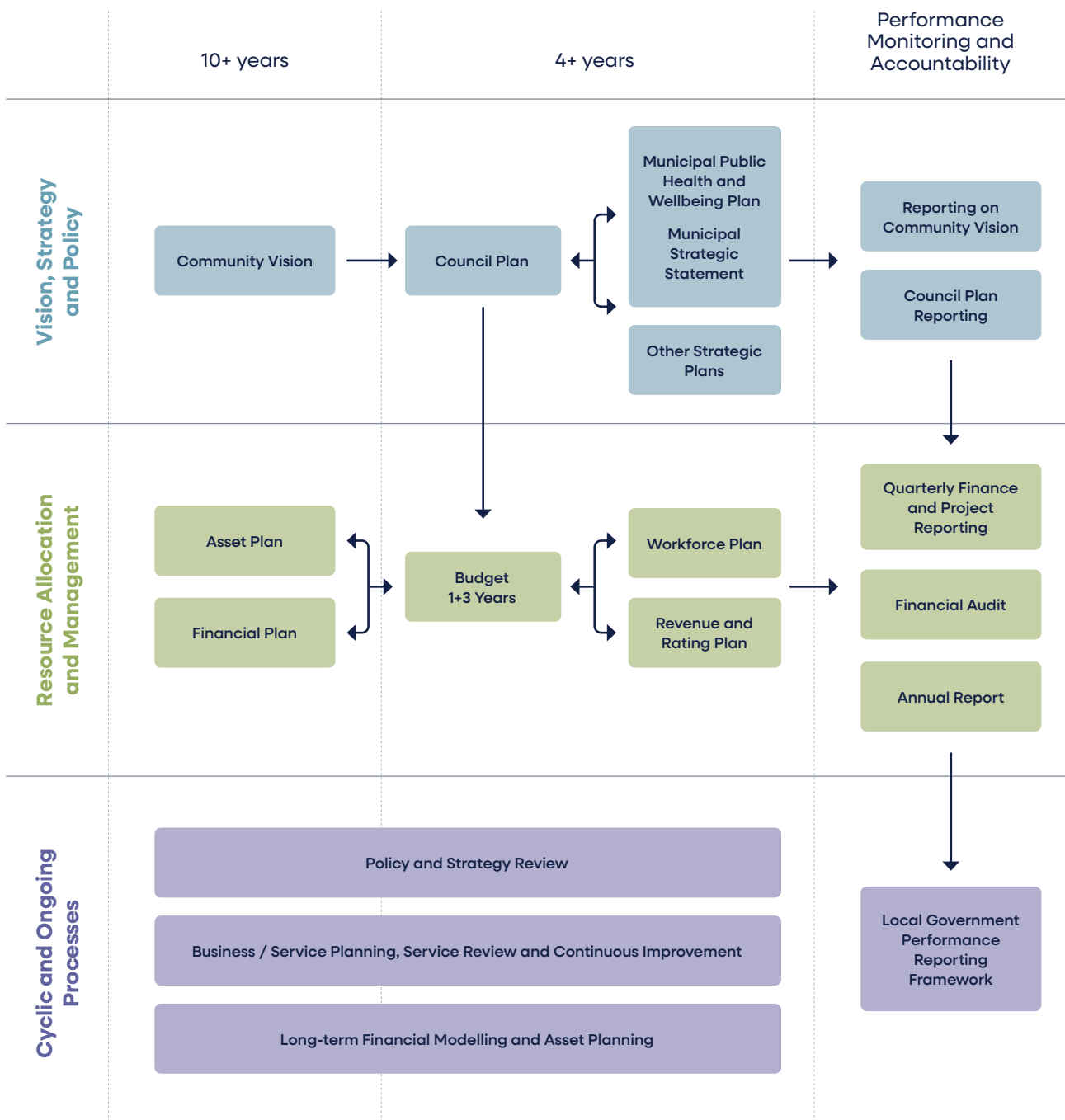


How Council Works

The Council, which is democratically elected every four years, meets regularly to make decisions that are informed by consultation with the community. These decisions are implemented by staff employed by the Council. The CEO is the only member of staff directly employed by the Council.

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

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



Service Performance Indicators

Service Performance Indicators Service / Indicator / Measure	Results 2022	Results 2023	Results 2024	Results 2025	Comments
AQUATIC FACILITIES					
Service standard					
Health inspections of aquatic facilities <i>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</i>	3.00	4.00	5.00	5.00	
Utilisation					
Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	3.55	4.74	3.89	4.84	This measure has increased due to the significant expansion of Swimming Lesson program to 7 days a week, resulting in increased utilisation.
Service cost					
Cost of aquatic facilities <i>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</i>	\$16.75	\$10.83	\$17.54	\$13.21	This measure has decreased due to the increased utilisation and visitation resulting in more membership income.
ANIMAL MANAGEMENT					
Timeliness					
Time taken to action animal management requests <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	1.00	1.00	1.00	1.00	
Service standard					
Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected] x100</i>	50.54%	52.04%	43.29%	31.69%	This measure has increased due to less animals being reclaimed by owners because of cost of living and dog attacks where animal owner's surrender the animals.
Animals rehomed <i>[Number of animals rehomed / Number of animals collected] x100</i>	0.00%	0.00%	0.00%	0.00%	Council does not operate a rehoming service. This is undertaken by our contract pound service provider.
Service cost					
Cost of animal management service per population <i>[Direct cost of the animal management service / Population]</i>	\$24.92	\$27.45	\$29.37	\$32.60	This measure has increased due to the cost of Council's pound contract.
Health and safety					
Animal management prosecutions <i>[Number of successful animal management prosecutions / Number of animal management prosecutions] x100</i>	60.00%	100.00%	100.00%	100.00%	

Service Performance Indicators Service / Indicator / Measure	Results 2022	Results 2023	Results 2024	Results 2025	Comments
FOOD SAFETY					
Timeliness					
Time taken to action food complaints <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	1.00	1.00	1.00	1.00	
Service standard					
Food safety assessments <i>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</i>	50.00%	33.61%	31.01%	70.43%	This measure has increased due to intensified performance expectations to accelerate deliverables.
Food safety samples <i>[Number of food samples obtained / Required number of food samples] x100</i>	New	New	100.00%	100.00%	
Service cost					
Cost of food safety service <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$554.60	\$628.20	\$421.99	\$429.08	
Health and safety					
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</i>	0.00%	0.00%	0.00%	0.00%	
GOVERNANCE					
Transparency					
Council decisions made at meetings closed to the public <i>[Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100</i>	9.96%	10.13%	8.26%	11.11%	This measure has increased due to the appointment of the Chief Executive Officer. A higher number of reports were presented on the recruitment process and appointment of the CEO and were listed as confidential business items pursuant to s3(1) and s66(2)(a) of the Local Government Act 2020.
Consultation and engagement					
Satisfaction with community consultation and engagement <i>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</i>	47.00	42.00	42.00	49.00	This measure has increased due to positive publicity regarding key Council projects.

Service Performance Indicators Service / Indicator / Measure	Results 2022	Results 2023	Results 2024	Results 2025	Comments
Attendance					
Councillor attendance at council meetings <i>[The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100</i>	98.10%	100.00%	95.60%	100.00%	
Service cost					
Cost of elected representation <i>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</i>	\$35,959.66	\$40,079.46	\$40,307.29	\$39,860.00	
Satisfaction					
Satisfaction with council decisions <i>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</i>	48.00	43.00	45.00	47.00	
LIBRARIES					
Resource currency					
Recently purchased library collection <i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i>	8.26%	56.11%	55.04%	66.02%	This measure has increased due to the updated data report regarding the libraries digital collection. This change aligns with Public Library Victoria discussions and for consistency across the High Country Library Network.
Service cost					
Cost of library service per population <i>[Direct cost of the library service / Population]</i>	\$30.39	\$44.62	\$44.09	\$46.33	
Utilisation					
Loans per head of population <i>[Number of library collection item loans / Population]</i>	New	New	10.93	13.49	This measure has increased due to the updated data report regarding the libraries digital collection. This change aligns with Public Library Victoria discussions and for consistency across the High Country Library Network.
Participation					
Library membership <i>[Number of registered library members / Population] x100</i>	New	New	27.22%	27.62%	
Library visits per head of population <i>[Number of library visits / Population]</i>	New	New	4.11	4.24	
MATERNAL AND CHILD HEALTH (MCH)					
Service standard					
Infant enrolments in the MCH service <i>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</i>	55.04%	101.55%	101.53%	102.70%	

Service Performance Indicators Service / Indicator / Measure	Results 2022	Results 2023	Results 2024	Results 2025	Comments
Service cost					
Cost of the MCH service <i>[Cost of the MCH service / Hours worked by MCH nurses]</i>	\$89.39	\$102.65	\$100.90	\$96.23	
Participation					
Participation in the MCH service <i>Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	77.81%	87.54%	83.23%	80.35%	
Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	75.00%	89.06%	94.74%	100.00%	
Satisfaction					
Participation in 4-week Key Age and Stage visit <i>[Number of 4-week key age and stage visits / Number of birth notifications received] x100</i>	97.67%	100.00%	96.18%	98.20%	
ROADS					
Satisfaction of use					
Sealed local road requests <i>[Number of sealed local road requests / Kilometres of sealed local roads] x100</i>	96.18%	40.58	24.91	18.18	The results for this measure have decreased due to a higher emphasis on sealed road maintenance and the recent drier climate is also a contributor.
Condition					
Sealed local roads maintained to condition standards <i>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</i>	98.80%	93.88%	93.90%	91.40%	
Service cost					
Cost of sealed local road reconstruction <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$184.06	\$59.91	\$90.86	\$0.00	No sealed local road reconstruction undertaken in 2024/25.
Cost of sealed local road resealing <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$90.86	\$3.58	\$8.24	\$7.36	The results for this measure have decreased due to a competitive market associated with a decrease in civil projects across the state.
Satisfaction					
Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	53.00	45.00	37.00	45.00	The results for this measure have increased due to positive publicity regarding sealed road infrastructure projects from both a renewal and maintenance perspective.

Service Performance Indicators Service / Indicator / Measure	Results 2022	Results 2023	Results 2024	Results 2025	Comments
STATUTORY PLANNING					
Timeliness					
Time taken to decide planning applications <i>[The median number of days between receipt of a planning application and a decision on the application]</i>	35.00	36.00	49.00	37.00	This measure has decreased due to additional resources received to undertake planning applications through funding from the Regional Planning Hub.
Service standard					
Planning applications decided within required time frames <i>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100</i>	87.60%	73.62%	67.08%	69.54%	
Service cost					
Cost of statutory planning service <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$1,451.97	\$1,747.98	\$2,472.11	\$2,009.08	This measure has decreased due to a reduction in staff costs during the period.
Decision making					
Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	33.33%	0.00%	0.00%	100.00%	
WASTE COLLECTION					
Service standard					
Kerbside collection bins missed <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i>	8.60	7.59	5.32	19.80	This measure has increased due to new kerbside collection contractor and obtaining familiarity with the network.
Service cost					
Cost of kerbside garbage bin collection service <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$54.78	\$70.59	\$75.00	\$80.75	
Cost of kerbside recyclables collection service <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$87.34	\$98.67	\$100.82	\$146.32	This measure has increased due to change of recyclable processing being undertaken locally, to now being undertaken in central Victoria which attracts a higher transport and handling cost.
Waste diversion					
Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	60.20%	58.66%	57.93%	55.24%	

Description of Operations

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

Our role includes:

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

Strategic Objectives

The *Benalla Rural City Council Plan 2021-2025* is Council's medium-term strategic planning document that guides decision making and sets key directions to work towards the community's vision for the future.

The Council Plan is supported by an action plan designed to deliver actions under the five themes below.



Theme 1 Community



Theme 2 Liveability



Theme 3 Economy



Theme 4 Environment



Theme 5 Leadership

The following section reports on Council's delivery of major initiatives and our performance in achieving strategic indicators and measures.



Theme 1:

Community

Objectives

- A healthy, safe and resilient community
- A connected, involved and inclusive community

The following statement reviews the performance of the Council against the major initiatives identified in the *2024/2025 Budget*.

Major Initiatives	Comment
Implement and monitor the Benalla Rural City Municipal Health and Wellbeing Action Plan.	The Benalla Health and Wellbeing Partnership Group continues to meet. Action plan developed and monitored.
Develop and adopt a Benalla Rural City Council Aboriginal Reconciliation Plan.	Completed. Reconciliation Plan adopted and launched.
Investigate the feasibility of creating a 'Barkly Street Community Precinct' at the former Benalla P-12 College campus.	In progress. Site found to be unsuitable for the location of a new indoor recreation centre. Precinct plan to be developed in 2025/26.

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

Strategic Indicator / Measure	Target	Result
Number of community groups receiving a grant from the Community Support Program	60	58
Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population).	5	4.84
Participation in the Maternal Child Health (MCH) service (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service x 100).	85%	80%

The following statement reviews the performance of the Council against services funded in the 2024/25 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure \$'000	(Revenue) \$'000	Net \$'000
Corporate Division	<p>Coordinates a range of services for the community including:</p> <ul style="list-style-type: none"> • Community engagement in accordance with the Community Engagement Policy • Supporting the youth of the community with planning and development of activities to engage young people and to network with service partners. • Delivering a range of services to residents of all ages, cultures and socio-economic backgrounds to enhance their independence, dignity, connectedness, health and wellbeing. • Coordinating and supporting the operation of the Aquatic Centre facility for the community. • Coordinating the planning and response to emergency events. • Delivering immunisation programs. • Coordinating school crossing supervisors. • Providing environmental health education programs. • Coordinating, supporting and growing our volunteer base. 	\$6,304	(\$2,311)	\$3,993

Annual Grant Program 2024/25

Council values the significant contribution that community and not-for-profit groups deliver within our municipality. Council's grant programs aim to support applicants to deliver positive health and wellbeing outcomes, minor infrastructure projects, community events and projects that benefit the community.

Our regular funding streams are:

- Community Grants
 - Major Community Grants
 - Minor Community Grants
- Major Event Funding Program
- Quick Response Grants

Community Grants

The Community Grants Program provides an opportunity for community groups and not-for-profit organisations through two annual funding streams of up to \$3,000 and \$7,000. Grants are available to assist in the development of facilities, programs, activities and projects designed to build healthy, vibrant and sustainable communities across the municipality.

Major Event Funding

The Council's Major Event Funding Program encourages groups to stage events that deliver measurable economic benefit and that contribute to the profile and liveability of Benalla Rural City. The program provides funding to a maximum of \$2000 per year to support the staging of eligible events.

In 2024/25 a total of seven event organisers received funding totalling \$11,445 under the Major Event Funding program (refer to page 34).

Quick Response Grants

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

Community Grants 2024/25

In 2024/25, 58 community-based organisations received funding totalling \$120,926 for projects and activities that enable participation in social, cultural and economic life in Benalla Rural City.

Community Grants 2024/25

Recipient	Project	Funding
MINOR COMMUNITY GRANT RECIPIENTS		
Astronomy Benalla Inc.	Reflective night signage, eyepiece, gazebo	\$1,359
Benalla and District Preschool Partnership – Bernard Briggs Kindergarten	Vegetable garden beds at Bernard Briggs Kindergarten	\$1,959
Benalla Aviation Museum and Men's Shed	Men's Shed air conditioner replacement	\$2,360
Benalla Bushrangers Cricket Club	Facilitated junior coaching afternoons	\$3,000
Benalla Bushwalking Club	First Aid training	\$2,750
Benalla and District Junior Football	Canteen upgrade – pie warmer	\$1,000
Benalla Gymnastics Club	Improving the entry to the Gymnastics Club – removal of large cupboards.	\$3,000
Benalla Health	Benalla Health 2025 Masquerade Ball	\$550
Benalla Hockey Club	Hockey equipment and umpire training	\$1,520
Benalla Men's Shed Inc.	Computer/software/printer upgrades	\$2,950
Benalla National and International Short Film Festival	Benalla Shorts 2025	\$3,000
Benalla Netball Association	Netball Victoria skills development for netball umpires	\$2,330
Benalla RSL	Refurbishment of War Memorial. New plaque at cenotaph.	\$2,500
Benalla Swimming Club	Purchase new training and competition equipment. Backstroke blocks and timers.	\$2,266
Benalla Theatre Company Inc.	2025 musical – "9 to 5"	\$3,000
Live Art Benalla	Fresh Juice artist development program and live music performance	\$3,000
Moirra Benalla Club Inc.	Moirra House front fence replacement	\$3,000
Molyullah Recreation and Public Hall Reserve Inc.	Outdoor tables and chairs	\$1,000
North Eastern Archers Inc.	New target frames and targets	\$3,000
Swanpool Bowls Club	Kitchen and BBQ equipment	\$2,700
Swanpool Community Cinema	Four free community screenings for Seniors Festival, Benalla Festival, Heritage Month and Volunteers Week	\$2,550
Tatong Anglers Group Inc.	Upgrade group computer, protective and emergency equipment	\$2,874
Tatong Memorial Hall	Removal of hall roof vent	\$2,750

Recipient	Project	Funding
MAJOR COMMUNITY GRANT RECIPIENTS		
Benalla All Blacks Football and Netball Club Inc.	A more secure and safer club	\$7,000
Benalla Lawn Tennis and Croquet Club Inc.	Refurbishing of the ceiling in the main room of the clubhouse	\$7,000
Benalla Rose City Band	Revamping the music library	\$4,311
Goorambat and District Community Group	Historical information display boards	\$6,128
Goorambat and District Football and Netball Club	Lighting	\$7,000
Lurg Hall and Recreation Reserve Committee	Upgrade of kitchen and hall security	\$5,278
Moorngag Public Hall Committee Inc.	Outdoor seating	\$5,000
Scout Association of Australia, Victorian Branch, Benalla Scout Group	Making Old New Again	\$6,500
Waminda Community House	Kitchen upgrade and link up support	\$5,500
	Total	\$108,135

Recipient	Project	Funding
MAJOR EVENT FUNDING		
Benalla Racing Club	Benalla Gold Cup	\$2,000
Benalla Lawn Tennis and Croquet Club	99th Annual Benalla Lawn Tennis Tournament	\$1,000
Benalla Migrants Association Inc.	Chinese and Lunar New Year	\$2,000
Albert Heaney Oval Reserve Committee of Management	Swanpool Motor Festival	\$2,000
Austin 7 Club Inc.	Historic Winton 48	\$2,000
Molyullah Recreation and Public Hall Reserve Committee of Management	Molyullah Easter Sports	\$2,000
Benalla Heritage Network	National Heritage Festival	\$445
	Total	\$11,445

Recipient	Project	Funding
QUICK RESPONSE GRANTS		
Benalla Migrant Camp Inc.	Benalla Migrant Camp pop-up exhibition launch	\$500
Carer and parents support group Inc.	National Organisation for Fetal Alcohol Spectrum Disorders information and training day	\$500
Benalla RSL	Speaker for RSL	\$500
The Country Women's Association of Victoria Inc – Thoona Branch	Tear drop flag	\$391
For the Good of Devenish	Remembrance Day Service	\$400
Swanpool Community Cinema	Swanpool Festival matinee screening <i>A Horse Named Winx</i>	\$500
Benalla Homelessness Response Group Inc.	Pocket guide to help in Benalla	\$500
Rotary Club of Benalla Inc.	Sending kids to Portsea 2025	\$500
Tatong Community Centre and Recreation Reserve	Tatong community christmas gathering	\$500
Lima School Community Centre Committee	Community christmas BBQ 2024	\$500
Winton Cemetery Trust (on behalf of the Winton Community Group)	Winton community christmas gathering	\$500
Boweya Community Inc.	Boweya community 10 year fire commemoration	\$500
Thoona Memorial Hall Inc.	Community carols and BBQ	\$500
Benalla Table Tennis Association	Club shirts for everyone	\$500
Devenish Public Hall Committee of Management Inc.	Community christmas party	\$500
Odyssey Victoria	Supporting positive change	\$500
Benalla Heritage Network	""Unearthed"" National Heritage Festival in Benalla 2025	\$500
Swanpool and District Community Development Association	2025 Community Spirit Barbecue	\$500
Cake Decorators Association of Victoria – Benalla Branch	Payment of rent for larger venue	\$500
Benalla Clydesdale and Heavy Horse Driving Day	Benalla Clydesdale and Heavy Horse Driving Day	\$500
Room at the Table Inc.	The Benalla Boardgame Project	\$500
Goorambat Veterans' Retreat Inc.	ANZAC Day Charity Golf Tournament	\$500
Benalla Sustainable Future Group Inc.	Swanpool Environmental Film Festival 2025	\$500
Benalla Yarn Bombers Inc.	Benalla Yarn Bombing Festival	\$500
Benalla Swimming Club	Benalla Swimming Club short course meet	\$500
U3A Benalla Inc	Shelving for U3A Benalla office	\$500
Total		\$12,791



Theme 2:

Liveability

Objectives

- Vibrant public spaces and places
- Connected and accessible roads, footpaths, transport and parking

The following statement reviews the performance of the Council against the major initiatives identified in the *2024/25 Budget*.

Major Initiatives	Comment
Meet agreed key milestones of the Benalla Indoor Recreation Centre Redevelopment project.	Barkly Street P-12 College site investigated and found to be unsuitable. Alternative potential sites under investigation.
Adopt and start implementation of the Fawckner Drive Precinct Masterplan.	"Flying fox" built. Pump track procurement process commenced.
Deliver Benalla Art Gallery Redevelopment project.	Final design completed. Works to commence in 2025/26.
Develop Benalla Rural City Growth strategy.	Funding options investigated.

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

Strategic Indicator / Measure	Target	Result
Service standard – Animals reclaimed (Number of animals reclaimed / Number of animals collected x 100).	100%	32%
Service standard – Food safety assessments (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984).	60%	70%
Satisfaction with sealed local roads	45	45
Timelines – Time taken to decide planning applications (Median number of days taken between receipt of a planning application and a decision on the application)	45 days	37 days
Service Standard – Planning applications decided within required time frames	80%	70%

The following statement reviews the performance of the Council against services funded in the 2024/25 Budget and the persons or sections of the community who are provided the service..

Business area	Description of services provided	Expenditure \$'000	(Revenue) \$'000	Net \$'000
Corporate Division	<p>Coordinates the accessibility, maintenance and planning of engaging spaces and places for the community by:</p> <ul style="list-style-type: none"> • Overseeing the operations of the Benalla Library and library services for all residents. • Operating the Benalla Art Gallery that provides cultural and tourism benefits to our city. • Providing Geographic Information System mapping which provide computer based mapping and aerial photographs. • Overseeing Land Use Planning Services in accordance with the Benalla Planning Scheme and the Planning and Environment Act. • Providing Building Surveyor Services to meet statutory obligations in accordance with the Local Government Act and Building Regulations. • Coordinating Council's statutory obligations in relation to the <i>Domestic and Feral and Nuisance Animal Act, Road Regulations, Environment Protection Act</i> and <i>Country Fire Authority Act</i>. • Providing professional Environmental Health services to meet statutory obligations outlined in the <i>Health Act</i> and <i>Environmental Protection Act</i>. • Overseeing the management of Council's assets, including but not limited to the road management plan, encompassing urban roads, drains and footpaths and rural roads, drains and footpaths. • Implementation of major and minor works, project management, street sweeping, minor construction works and asset inspection programs. 	17,203	(\$6,948)	\$10,255



Theme 3:

Economy

Objectives

- Thriving business and industry
- Flourishing tourism
- Diverse education and employment
- Population growth

The following statement reviews the performance of the Council against the major initiatives identified in the *2024/25 Budget*.

Major Initiatives	Comment
Develop an Economic Diversification Plan.	Not progressed.

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

Strategic Indicator / Measure	Target	Result
Community satisfaction rating for our performance in tourism development	55	56
Community satisfaction with our economic business development	50	47

The following statement reviews the performance of the Council against services funded in the 2024/25 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure \$'000	(Revenue) \$'000	Net \$'000
Corporate Division	<ul style="list-style-type: none"> Oversees the destination promotion and visitor servicing for our Rural City. Facilitating Council's civic and community events and the provision of support to other events to ensure compliance, while promoting community involvement and the lifestyle the Rural City offers. Overseeing the long-term maintenance management program for Council's facilities with the provision of repairs, maintenance and servicing of facilities that are utilised by a broad range of stakeholders including the general public and Council staff. 	\$9,816	(\$31,079)	(\$21,263)



Theme 4:

Environment

Objectives

- Healthy and protected natural environment
- High quality, efficient and sustainable waste management
- Sustainable practices

The following statement reviews the performance of the Council against the major initiatives identified in the *2024/25 Budget*.

Major Initiatives	Comment
Review, update and adopt the Environment Strategy.	Draft strategy developed. Engagement continues.
Finalise disposal arrangements for environmentally sustainable disposal of kerbside-collected food organics and garden organics.	Completed. Food organics and garden organics sent to Wangaratta Organics Processing facility.

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

Strategic Indicator / Measure	Target	Result
Community satisfaction rating for our performance in environmental sustainability	60	55
Community satisfaction rating for our performance in slashing and weed control	50	48
Community satisfaction rating for our performance in waste management	66	63
Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill	62%	55%

The following statement reviews the performance of the Council against services funded in the 2024/25 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure \$'000	(Revenue) \$'000	Net \$'000
Corporate Division	<p>Coordinates a proactive and strategic approach to protect our natural environment and safeguard its ability to support our community into the future by:</p> <ul style="list-style-type: none"> • Overseeing the management and provision of environmental projects. • Ensuring that waste collection, recycling programs, EPA licenced landfill operation and waste minimisation programs are run in accordance with state and regional plans and policies. • Coordinating the management and provision of advice on external domestic waste water programs in consultation with relevant stakeholders. 	\$3,255	(\$7,739)	(\$4,484)



Theme 5:

Leadership

Objectives

- Good Governance
- Engaged and informed community
- High performance culture
- Effective and responsive advocacy

The following statement reviews the performance of the Council against the major initiatives identified in the *2024/25 Budget*.

Major Initiatives	Comment
Annually review, update and adopt the Benalla Rural City Council Long-term Financial Plan.	Plan reviewed and updated. To be placed on public exhibition and adopted by 31 October 2025.
Develop and implement a Project Management framework.	Not progressed.
Participate in the Lower North Eastern Digital Transformation Partnership.	In progress. New Records Management, Planning and Building systems implemented. Preparations for the implementation of a new enterprise resource planning system started. "Civica" system to be implemented in the first half of 2025/26.

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

Strategic Indicator / Measure	Target	Result
Community satisfaction with Council's overall performance	55	53
Community satisfaction with how Council has performed in making decisions in the interest of the community	50	47
Community satisfaction with how Council has performed in customer service	70	69
Community satisfaction with the consultation and engagement efforts of Council	50	49
Community satisfaction with the overall direction of Council	50	48
Community satisfaction with Council's advocacy	50	50

The following statement reviews the performance of the Council against services funded in the 2024/25 Budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Expenditure \$'000	(Revenue) \$'000	Net \$'000
CEO Division	Oversees the office of the Chief Executive Officer (CEO), the Mayor and Councillor support as well as the internal audit program.	\$1,039	(\$27)	\$1,012
Corporate Division	<ul style="list-style-type: none"> Oversees the governance of Council to ensure accountability, enhancement and prosperity and viability. Ensures all day to day operational council buildings are maintained to an operational standard. Provides the financial based services to both internal and external customers including the management of Council's finances, procurement and contracting services, raising and collection of rates and charges and valuation of properties throughout the municipality. Ensures that the relevant human resources are managed and supported including training and development for staff. Provides information technology services to Council staff over various locations. Responsible for the achievement of corporate objectives in regard to Risk Management, Insurance and Occupational Health and Safety. Coordinates Council's statutory obligations in relation to the <i>Domestic and Feral and Nuisance Animal Act</i>, <i>Road Regulations</i>, <i>Environment Protection Act</i> and <i>Country Fire Authority Act</i>. Provides professional Environmental Health services to meet statutory obligations outlines in the <i>Health Act</i> and <i>Environmental Protection Act</i>. 	\$567	(\$9)	\$576

Statutory Information

Carers Recognition Act 2012

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

Promoting the principles of the Act to people in care relationships who receive Council services, to people in care relations and to the wider community.

Ensuring staff, council agents and volunteers working for Council are informed about the principles and obligations of the Act.

Reviewing and modifying policies, procedures and supports to include recognition of the carer relationship.

Ensuring information on the Act is readily available to staff.

Council Information

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

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

Disability Action Plan

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

Domestic Animal Management Plan

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

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

Food Act Ministerial Directions

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

No Food Act Ministerial Directions were received by the Council during the 2024/25 financial year.

Freedom of Information

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

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

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

Requests for documents in the possession of the Council should be addressed to the Freedom of Information Officer.

Requests can be lodged by emailing:
council@benalla.vic.gov.au

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

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

Public Interest Disclosures

In accordance with section 70 of the *Public Interest Disclosures Act 2012* a Council must include in their annual report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of public interest disclosure complaints investigated during the 2024/25 financial year.

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

In 2024/25 no disclosures were notified to the Independent Broad-based Anti-Corruption Commission.

Road Management Act Ministerial Direction

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

No Road Management Act Ministerial Directions were received by the Council during the 2024/25 financial year.

Accountability and Governance

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

Councils must report regularly to the Victorian Government and are also audited annually by independent auditors.

The Local Government Inspectorate and the Independent Broad-based Anti-corruption Commission (IBAC) are bodies which have been set up by the Victorian Government to ensure that local governments act properly and with integrity.

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

- operates within the spirit and intent of the relevant legislation

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

Council Committee System and Meeting Cycle

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

Meeting type	Purpose
Finance and Planning Committee	<p>This Committee considers:</p> <ul style="list-style-type: none"> • all governance and financial matters, social and cultural development and matters relating to the operation of Council's organisational administration. • all matters relating to strategic and statutory planning and associated matters, infrastructure, environmental issues and economic development matters. <p>The membership of the Finance and Planning Committee comprises all Councillors. The quorum for this committee is a majority of members.</p>
Council Meeting	<p>The Council Meeting adopts, rejects or modifies recommendations from the Finance and Planning Committee listed above and deals with other items. These meetings provide Councillors with another opportunity to debate issues discussed at the committee level before a final decision is made.</p>

Meetings of Council

Total meetings: 12 (10 Council Meetings, two additional Council Meetings)
 Councillor attendance at Council Meetings and additional Council Meetings during 2024/25.

Attendance between 1 July 2024 and 26 October 2024

Total meetings: four (three Council Meetings, one additional Council Meeting)

Councillor	Council Meetings attended	Additional Council meetings attended	Total
Cr Danny Claridge (Mayor)*	3	1	4
Cr Don Firth*	3	1	4
Cr Puna Hewa Gunaratne	3	1	4
Cr Bernie Hearn	3	1	4
Cr Justin King (Deputy Mayor)	3	1	4
Cr Gail O'Brien*	3	1	4

* From July 2024 to October 2024

Attendance between 26 November 2024 and 30 June 2025

Total meetings: eight (seven Council Meetings, one additional Council Meeting)

Councillor	Council Meetings attended	Additional Council meetings attended	Total
Cr David Blore	7	1	8
Cr Peter Davis	7	1	8
Cr Puna Hewa Gunaratne	7	1	8
Cr Bernie Hearn (Mayor)	7	1	8
Cr Justin King (Deputy Mayor)	7	1	8
Cr Jillian Merkel	7	1	8
Cr Nathan Tolliday	7	1	8

Finance and Planning Committee Meetings

Number of meetings held: 10 (eight Finance and Planning Committee Meetings, two additional Finance and Planning Committee Meetings)

Councillor attendance at Finance and Planning Committee Meetings and additional Finance and Planning Meetings during 2024/25.

Attendance between 1 July 2024 and 26 October 2024

Total meetings: two (two Finance and Planning Committee Meetings, No additional meetings were held)

Councillor	Committee meetings attended	Additional meetings attended	Total
Cr Danny Claridge (Mayor)*	2	0	2
Cr Peter Davis	2	0	2
Cr Don Firth*	2	0	2
Cr Puna Hewa Gunaratne	1	0	1
Cr Bernie Hearn	2	0	2
Cr Justin King (Deputy Mayor)	2	0	2
Cr Gail O'Brien*	2	0	2

* From July 2024 to October 2024

Attendance between 26 November 2024 and 30 June 2025

Total meetings: eight (six Finance and Planning Committee Meetings, two additional Finance and Planning Committee Meetings)

Councillor	Committee meetings attended	Additional meetings attended	Total
Cr David Blore	6	2	8
Cr Peter Davis	6	2	8
Cr Puna Hewa Gunaratne	6	2	8
Cr Bernie Hearn (Mayor)	6	1	7
Cr Justin King (Deputy Mayor)	6	1	7
Cr Jillian Merkel	6	2	8
Cr Nathan Tolliday	6	2	8

Councillor Code of Conduct

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*. The purpose of the Councillor Code of Conduct is to include the standards of conduct expected to be observed by Councillors in the course of performing their duties and functions as Councillors, including prohibiting discrimination, harassment (including sexual harassment) and vilification.

Conflict of Interest

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

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

During 2024/25 there were 58 conflicts of interest disclosed by councillors at Council and Delegated Committee meetings.

Disclosed conflicts of interest are included in the minutes of the meeting and are available on the Council's website.

Councillor Allowances

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

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

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

For 2024/25, Benalla Rural City Council was classified as a Category 1 Council. The Council has resolved that the Mayoral and Councillor allowances be set at the maximum amount payable for a Category 1 Council.

Councillor	Allowance
Cr David Blore	\$17,436
Cr Danny Claridge (Mayor)*	\$27,030
Cr Peter Davis	\$26,166
Cr Don Firth*	\$8,730
Cr Bernie Hearn (Mayor)	\$61,368
Cr Puna Hewa Gunaratne	\$26,166
Cr Justin King (Deputy Mayor)	\$40,440
Cr Jillian Merkel	\$17,436
Cr Gail O'Brien*	\$8,730
Cr Nathan Tolliday	\$17,436

* From July 2024 to October 2024

Councillor Expenses

The Mayor (personal and Council business use) is provided with a fully maintained motor vehicle. Councillors have access to this vehicle for use on Council related business. Total fleet 2024/25 charges for this vehicle, including fuel costs, were \$958.

Councillors and staff are provided with a meal after Council and committee meetings. Total catering costs in 2024/25 were \$13,558.

Councillor	Travel	Child Care	Information & Communications	Conferences & Training	Total
Cr David Blore	–	–	\$110	\$64	\$174
Cr Danny Claridge (Mayor)*	–	–	\$294	\$69	\$363
Cr Peter Davis	–	–	\$294	\$64	\$358
Cr Don Firth*	–	–	\$104	–	\$104
Cr Bernie Hearn (Mayor)	\$2,351	–	\$294	\$313	\$2,958
Cr Puna Hewa Gunaratne	\$204	–	\$368	\$64	\$636
Cr Justin King (Deputy Mayor)	\$390	–	\$294	\$148	\$832
Cr Jillian Merkel	–	–	\$110	\$64	\$174
Cr Gail O'Brien*	–	–	\$294	–	\$294
Cr Nathan Tolliday	–	–	\$110	\$64	\$174

* From July 2024 to October 2024

Council Committees

Advisory Committees

Advisory committees advise the Council on a range of community and social issues that may influence policy, service and program development.

Council Advisory Committee	Purpose of Committee
Australia Day Advisory Committee	Assists in the coordination of Australia Day celebrations throughout the municipality.
Benalla Airport Advisory Committee	Assists Council in the management and operation of the Benalla Airport.
Benalla Art Gallery Advisory Committee	Assists Council in the management and operation of the Benalla Art Gallery.
Benalla Festival Advisory Committee	Manages the Benalla Festival and makes recommendations to Council about festival events and activities.
Benalla Street Art Advisory Committee	Committee was formed to reinvigorate street art in Benalla Rural City.
Communications Advisory Committee	Oversees Council communications and corporate publications.

Chief Executive Officer Employment and Remuneration Committee

In accordance with the Chief Executive Officer Employment and Remuneration Policy, a CEO Employment and Remuneration Committee has been established. Chaired by the Mayor, the Committee comprises all councillors and an independent member, Mr Chris Eddy.

In March 2025, the Committee recommended to the Council that Peter Keane be appointed as the Benalla Rural City Council Chief Executive Officer for a period of four years.

Audit and Risk Committee

Membership

The Audit and Risk Committee (the Committee) comprises two Councillors and four independent members. The Committee's Councillor positions are held by the Mayor or the Mayor's choice of Councillor and the Chair of the Finance and Planning Committee.

External members

Name	Qualifications	Professional Background
Cameron Gray (Chair)	BBus M(Com)	Experience in working in the health, legal, employment services and agricultural industries. Member of the Institute of Public Accountants. Holds Executive Certificate in Corporate Governance and currently undertaking a Master of Business Administration. Over the past 10 years has volunteered as treasurer/secretary to sporting clubs and associations in the Benalla area.
Stephen Paterson	BComm(Hons) MBA Masters of Professional Accounting	Has experience in various financial roles including as acting CFO, finance lead on divestments, planning and strategy roles, member and chair of non- executive finance committees. Direct experience in public sector at commonwealth, state and local government levels and indirect experience with significant dealings through credit rating of government entities, joint venture relationships and negotiation of proposed government legislation.
Rita HP Ruyters	GradDipBus(Acc), GCP (Acc)	Has extensive experience and working knowledge in financial management accounting in the not-for-profit sector. Holds a Graduate Certificate in Professional Accounting, Executive Certificate in Corporate Governance and is a Fellow of the Institute of Public Accountants.
Wilson Tang	BBus(Acc) and Information systems	Has more than 15 years of experience in financial management, including key financial controls, financial reporting and CFO duties. Currently a partner of a 10 top Accounting Firm, in the Governance and Risk Advisory Practice. Has experience with public sector clients which includes various metro and regional Shire/Councils. Has extensive experience in providing risk management advisory services (including fraud prevention).

Attendance

During the 2024/25 financial year there was a quorum for each Audit and Risk Committee meeting, where the appointed Chair presided. Attendance of Audit and Risk Committee members for the 2024/25 meeting schedule is detailed below.

Committee Members	August 2024	October 2024	December 2024	February 2025	May 2025
Cameron Gray Elected as Chair 2024	✓	✓	✓	✓	✓
Stephen Paterson Member from 23 April 2025					✓
Rita Ruyters	✓	✓	✓	✓	✓
Wilson Tang Member from 23 April 2025					✓
Cr Bernie Hearn Chair of the Finance and Planning Committee from July 2024 to November 2024.	✓	✓			
Cr Peter Davis Chair of the Finance and Planning Committee from November 2024 to June 2025.	✓	✓	✓	✓	✓
Cr Puna Hewa Gunaratne Councillor Representative from November 2024 to June 2025.			✓	✓	✓

Key activities undertaken by the Committee included:

Financial Performance and Audit

- Draft Annual Financial Report and draft Performance Statements for year ended 30 June 2024 approved in principle.

Internal Control Environment

- Strategic Internal Audit Program monitored.
- Implementation of internal audit recommendations monitored.
- Internal Audit planning document: Governance endorsed.
- Internal Audit planning document: ICT and Cyber Security Strategy and Governance endorsed.
- Internal Audit Report: Statutory Planning accepted.
- Audit and Risk Committee Performance Self-Assessment undertaken.
- Internal Audit Report: Procurement accepted.
- Procurement process exemptions considered.

Risk Management

- Monitoring of the Council's risk management systems and processes, including occupational health and safety and insurance.
- Draft BRCC Business Continuity Plan reviewed.
- JLT Public Sector Risk Report reviewed.

Fraud Prevention Systems and Controls

- No instances of unethical behaviour, fraud and corruption noted.

External Audit

- Met with external auditors without management.
- Benalla Rural City Council Audit Strategy Memorandum For The Financial Year Ending 30 June 2025 endorsed.
- Benalla Rural City Council Interim Management Letter For The Financial Year Ending 30 June 2024 accepted.

Compliance Management

- Victorian Auditor-General's Office reports considered: Reporting on Local Government Performance: Follow-up and results of 2023/24 Audits: Local Government.
- Key policies; fraudulent or corrupt behaviour; significant compliance matters and annual work program considered.

Procurement

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

Governance and Management Checklist

The following are the results in the prescribed form of the Council's assessment against the prescribed governance and management checklist.

Governance and Management Item	Assessment
1 Community Engagement Policy Policy outlining Council's commitment to engaging with the community on matters of public interest	✓ 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 Financial 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 Plan 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, services and works	✓ Adopted in accordance with section 108 of the Act. Date of commencement: 06/28/2023

Governance and Management Item	Assessment
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
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 and 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 the 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 131 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 report to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations.	 Quarterly reports presented to Council in accordance with section 97(1) of the Act. 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

Governance and Management Item	Assessment
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. Presented at Audit and Risk Committee Meetings: 10/12/2024 20/05/2025
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 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 <i>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.</i>
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

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



Peter Keane
Chief Executive Officer

Dated: 21 October 2025



Cr Bernie Hearn
Mayor

Dated: 21 October 2025

Performance Statement

For the year ended 30 June 2025



Contents

Certification of the Performance Statement	59
Victorian Auditor-General's Office Audit Report	60
Section 1: Description of municipality	62
Section 2: Service Performance Indicators	63
Section 3: Financial Performance Indicators	65
Section 4: Sustainable Capacity Indicators	38
Section 5: Notes to the Accounts	69
5.1 Basis of Preparation	69
5.2 Definitions	70
5.3 Other Matters	71

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: 29 October 2025

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: 29 October 2025



Cr Peter Davis
Councillor

Dated: 29 October 2025



Peter Keane
Chief Executive Officer

Dated: 29 October 2025

Independent Auditor's Report

To the Councillors of Benalla Rural City Council

Opinion	<p>I have audited the accompanying performance statement of Benalla Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2025 • service performance indicators for the year ended 30 June 2025 • financial performance indicators for the year ended 30 June 2025 • sustainable capacity indicators for the year ended 30 June 2025 • notes to the accounts • certification of the performance statement. <p>In my opinion, the performance statement of Benalla Rural City Council in respect of the year ended 30 June 2025 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

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

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

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

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

MELBOURNE
29 October 2025



Travis Derricott
as delegate for the Auditor-General of Victoria

Section 1: 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.

Section 2: Service performance indicators

For the year ended 30 June 2025

Service/Indicator/Measure	Results					Material Variations
	2022	2023	2024	2025		
Service	Actual	Actual	Actual	Target as per Budget	Actual	Comments
AQUATIC FACILITIES						
Utilisation						
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4	5	4	N/A	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						
Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	60%	100%	100%	N/A	100%	
FOOD SAFETY						
Health and safety						
Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	0%	0%	0%	N/A	0%	
GOVERNANCE						
Satisfaction						
Satisfaction with community consultation and engagement [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						
Library membership [Percentage of the population that are registered library members] x100	N/A	N/A	27%	N/A	28%	

Section 2: Service performance indicators

For the year ended 30 June 2025

Service/Indicator/Measure	Results					Material Variations
	2022	2023	2024	2025		
Service	Actual	Actual	Actual	Target as per Budget	Actual	Comments
MATERNAL AND CHILD HEALTH (MCH)						
Participation						
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	88%	85%	83%	N/A	80%	
Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	89%	96%	95%	N/A	100%	
ROADS						
Condition						
Sealed local roads below the intervention level [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						
Planning applications decided within the relevant required time [Percentage of planning application decisions made within the relevant required time]	88%	74%	67%	80%	70%	Processing timelines negatively impacted by the introduction of new planning administration software.
WASTE MANAGEMENT						
Waste diversion						
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	60%	59%	58%	62%	55%	Investigations unable to ascertain why there was a decrease in the collection of recyclables and green organics. Community education program to increase recycling to be undertaken in 2025/26.

Section 3: Financial Performance Indicators

For the year ended 30 June 2025

Service/ Indicator/ Measure	Results					Forecasts				Material Variations
	2022	2023	2024	2025		2026	2027	2028	2029	
Service	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	Comments
EFFICIENCY										
Expenditure level										
Expenses per property assessment [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										
Average rate per property [General rates and Municipal charges / Number of property assessments]	\$1,951	\$1,997	\$2,056	N/A	\$2,119	\$2,186	\$2,218	\$2,251	\$2,285	
LIQUIDITY										
Working capital										
Current assets compared to current liabilities [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										
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	52%	26%	62%	N/A	37%	51%	56%	59%	67%	Unrestricted cash increases from \$4.670 million in 25/26 to \$5.647 million in 2028/29.

Section 3: Financial Performance Indicators

For the year ended 30 June 2025

Service/ Indicator/ Measure	Results					Forecasts				Material Variations
	2022	2023	2024	2025		2026	2027	2028	2029	
Service	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	Comments
OBLIGATIONS										
Loans and borrowings										
Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	19%	14%	10%	N/A	7%	6%	4%	3%	2%	Debt reduced by \$585,000 in 2024/25.
Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	6%	5%	3%	N/A	3%	2%	2%	1%	1%	
Indebtedness										
Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	59%	55%	46%	N/A	42%	45%	44%	42%	41%	
Asset renewal and upgrade										
Asset renewal and upgrade compared to depreciation <i>[Asset renewal and asset upgrade expense / Asset depreciation] x100</i>	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, primarily due to the deferral of landfill rehabilitation works, the Benalla Art Gallery Redevelopment and roof repair works at the Benalla Indoor Recreation Centre.

Section 3: Financial Performance Indicators

For the year ended 30 June 2025

Service/ Indicator/ Measure	Results					Forecasts				Material Variations
	2022	2023	2024	2025		2026	2027	2028	2029	
Service	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	Comments
OPERATING POSITION										
Adjusted underlying result										
Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100</i>	6%	7%	-9%	N/A	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.
STABILITY										
Rates concentration										
Rates compared to adjusted underlying revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i>	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										
Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.59%	0.47%	0.41%	N/A	0.42%	0.43%	0.44%	0.45%	0.45%	

Section 4: Sustainable Capacity Indicators

For the year ended 30 June 2025

Indicator / Measure [formula]	Results				Material Variations
	2022	2023	2024	2025	
Service	Actual	Actual	Actual	Actual	Comments
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$2,438	\$2,788	\$2,505	\$2,610	
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$17,312	\$17,213	\$18,997	\$24,039	Result primarily due to a \$58.3 million increase in the value of infrastructure assets following a revaluation.
Population density per length of road [Municipal population / Kilometres of local roads]	11	11	11	11	
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,744	\$1,775	\$1,951	\$1,992	
Recurrent grants					
Recurrent grants per head of municipal population [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.
Disadvantage					
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	2	3	3	3	
Workforce turnover					
Percentage of staff turnover [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 <i>Aboriginal Heritage Act 2006</i>
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 authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
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.

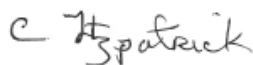
Financial Report

For the year ended 30 June 2025

Certification of the Financial Statements	3
Victorian Auditor-General's Office Report	4
Financial Statements:	
Comprehensive Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Statement of Capital Works	10
Notes to the Financial Report	
Note 1 Overview	11
Note 2 Analysis of our results	13
2.1 Performance against budget	13
2.2 Analysis of Council results by program	18
Note 3 Funding for the delivery of our services	19
3.1 Rates and charges	19
3.2 Statutory fees and fines	19
3.3 User fees	19
3.4 Funding from other levels of government	20
3.5 Contributions	22
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	23
3.7 Other income	23
Note 4 The cost of delivering services	24
4.1 Employee costs	24
4.2 Materials and services	25
4.3 Depreciation	26
4.4 Amortisation – Intangible assets	26
4.5 Depreciation – Right of use assets	26
4.6 Allowance for impairment losses	27
4.7 Borrowing costs	27
4.8 Finance Costs – Leases	27
4.9 Other expenses	27
Note 5 Investing in and financing our operations	28
5.1 Financial assets	28
5.2 Non-financial assets	30
5.3 Payables, trust funds and deposits and contract and other liabilities	31
5.4 Interest-bearing liabilities	32
5.5 Provisions	33
5.6 Financing arrangements	35
5.7 Commitments	36
5.8 Leases	38
Note 6 Assets we manage	40
6.1 Property, infrastructure, plant and equipment	40
Note 7 People and relationships	47
7.1 Council and key management remuneration	47
7.2 Related party disclosure	49
Note 8 Managing uncertainties	50
8.1 Contingent assets and liabilities	50
8.2 Change in accounting standards	50
8.3 Financial instruments	51
8.4 Fair value measurement	53
8.5 Events occurring after balance date	54
Note 9 Other matters	55
9.1 Reserves	55
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	58
9.3 Superannuation	58
Note 10 Changes in accounting policies	62

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

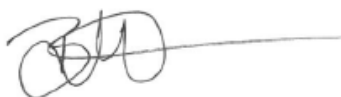
Dated: 29 October 2025

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: 29 October 2025

Benalla



Peter Davis

Councillor

Dated: 29 October 2025

Benalla



Peter Keane

Chief Executive Officer

Dated: 29 October 2025

Benalla

Independent Auditor's Report

To the Councillors of Benalla Rural City Council

Opinion	<p>I have audited the financial report of Benalla Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2025 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2025 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
29 October 2025

Travis Derricott
as delegate for the Auditor-General of Victoria

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.

continued on next page ...

Page 11 of 62

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.

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%	14
Borrowing costs	116	101	15	12.93%	15
Finance costs - leases	15	22	(7)	(46.67)%	16
Net loss on disposal of property, infrastructure, plant and equipment	—	337	(337)	—	17
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%	

continued on next page ...

Page 13 of 62

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.	Increases in rates and charges includes supplementary rates raised \$263,000.
2.	Decrease in planning and building permits against budget due to lower demand. Increase in recovery of compliance fines. Lower income from Planning fees \$38,794; Building fees \$72,748 offset by higher Compliance fines \$15,693 and Certificate charges \$36,661.
3.	Full year of cinema operation in 24/25 after move from previous location and additions to schedules. Higher Benalla Cinema income \$159,000. Landfill increase due to multiple construction projects, including the Benalla Police Station and DHHS projects, Landfill operating fees \$123,000. Increase due to the successful Street Art event held in 2024/25, Tourism and Art Gallery income \$93,582. The addition of Recycling Collection Victoria's Container Deposit Scheme income \$45,079 which commenced in the 24/25 year.
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 that were not budgeted for received towards community projects including the Street Art Festival and multiple Art Gallery Community program events, \$222,995. Public Open Space contributions not budgeted for, including Hairs Lane and Four Mile Road, \$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 waste mulching expenses \$106,000.
11.	Lower depreciation due to delayed 2023/24 and 2024/25 capital works additional assets delivery.
12.	Amortisation of software at end of life resulted in an increased expense in 24/25.
13.	Increase due to recognising additional lease extensions.
14.	Favourable variance due to no delays in settlement of debts has resulted in less than budgeted impairment loss adjustment.
15.	Favourable variances as no additional loans raised in the past two years.

continued on next page ...

Page 14 of 62

Notes to the Financial Report

for the year ended 30 June 2025

Note 2.1 Performance against budget (continued)

16. Unfavourable variance as higher interest rates resulted in higher lease costs for replacement vehicles.
17. 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)%	

continued on next page ...

Page 16 of 62

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 - boardwalk 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. |
| 9. | Works undertaken were assessed as 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	2024
	\$ '000	\$ '000

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.

continued on next page ...

Page 19 of 62

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

continued on next page ...

Page 20 of 62

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	1,841	3,694
Other specific purpose grants	2,657	2,340
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	849	1,279
	13,818	7,643

continued on next page ...

Page 21 of 62

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

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
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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 \$ '000	2024 \$ '000
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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.

continued on next page ...

Page 25 of 62

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	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.

continued on next page ...

Page 26 of 62

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

Statutory receivables

Rates debtors	1,714	1,596
Net GST receivable	195	292

Non-statutory receivables

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.

continued on next page ...

Page 28 of 62

Notes to the Financial Report

for the year ended 30 June 2025

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

	2025	2024
	\$ '000	\$ '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)	972	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	1,293	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)

continued on next page ...

Page 29 of 62

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.

continued on next page ...

Page 30 of 62

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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5.3 Payables, trust funds and deposits and contract and other liabilities

(a) Trade and other payables

Current

Non-statutory payables

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
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Purpose and nature of items

Fire Service Levy - Council is the collection agent for Fire Services Levy on behalf of the Victorian 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.

continued on next page ...

Page 31 of 62

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.

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	

continued on next page ...

Page 33 of 62

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	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%

continued on next page ...

Page 34 of 62

Notes to the Financial Report

for the year ended 30 June 2025

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

	2025	2024
	\$ '000	\$ '000

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2025.

Credit card facilities	100	100
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

continued on next page ...

Page 36 of 62

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

continued on next page ...

Page 37 of 62

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	2024
	\$ '000	\$ '000

(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

continued on next page ...

Page 40 of 62

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 improve-ments \$ '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

continued on next page ...

Page 41 of 62

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

(*) All asset categories at cost with the exception of Art Works which is at fair value.

continued on next page ...

Page 42 of 62

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

continued on next page ...

Page 43 of 62

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.

continued on next page ...

Page 44 of 62

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 carparks) 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 age and replacement unit rates as at 30 June 2020 in accordance with an internal management valuation undertaken by Council's Asset Management Team. A three year rolling program will be commenced in 2025/26 to revalue Drainage assets, including condition assessments. 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

continued on next page ...

Page 45 of 62

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
Recreational, leisure & community facilities	—	—	941	Jun/25	Full 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) (26 November 2024 - 30 June 2025)
Councillor Justin King (Deputy Mayor) (26 November 2024 - 30 June 2025)
Councillor David Blore (26 November 2024 - 30 June 2025)
Councillor Peter Davis (26 November 2024 - 30 June 2025)
Councillor Punarji Hewa Gunaratne (26 November 2024 - 30 June 2025)
Councillor Jillian Merkel (26 November 2024 - 30 June 2025)
Councillor Nathan Tolliday (26 November 2024 - 30 June 2025)

Councillor Danny Claridge (Mayor) (1 July 2024 - 25 October 2024)
Councillor Justin King (Deputy Mayor) (1 July 2024 - 25 October 2024)
Councillor Peter Davis (1 July 2024 - 25 October 2024)
Councillor Don Firth (1 July 2024 - 25 October 2024)
Councillor Bernie Hearn (1 July 2024 - 25 October 2024)
Councillor Punarji Hewa Gunaratne (1 July 2024 - 25 October 2024)
Councillor Gail O'Brien (1 July 2024 - 25 October 2024)

Chief Executive Officer

Dom Testoni (1 July 2024 - 10 January 2025)
Robert Barber (11 January 2025 - 30 April 2025)
Peter Keane (1 May 2025 - 30 June 2025)

General Manager Corporate

Robert Barber (1 July 2024 - 10 January 2025 and 1 May 2025 - 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

continued on next page ...

Page 47 of 62

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

continued on next page ...

Page 48 of 62

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 partner's 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

continued on next page ...

Page 50 of 62

Notes to the Financial Report

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2025 that are expected to impact Council.

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.

continued on next page ...

Page 51 of 62

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;
- may require collateral where appropriate; and
- 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.

continued on next page ...

Page 52 of 62

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. The material increase in Infrastructure Property Plant and Equipment relates to a number of valuations completed and large revaluation movements in roads, footpaths, and cycleways, a large revaluation increment has been accounted for as at the 30 June 2025.

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 years
Buildings	3 years

continued on next page ...

Page 53 of 62

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

Note 8. Managing uncertainties (continued)

Roads	5 years
Bridges	5 years
Footpaths and cycleways	5 years
Drainage	4 years
Recreational, leisure and community facilities	3 years
Waste management	4 years
Parks, open space and streetscapes	3 years
Aerodromes	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

continued on next page ...

Page 55 of 62

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.

continued on next page ...

Page 57 of 62

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

continued on next page ...

Page 58 of 62

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) \$m	2023 (Triennial) \$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

continued on next page ...

Page 59 of 62

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 Triennial investigation	2020 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

continued on next page ...

Page 60 of 62

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. 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.

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.



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