

Annual Report

2010/2011



Mildura Rural City Council



Mildura Rural City at a Glance

The municipality covers an area of 22,330 square kilometres, making it the largest in Victoria.

Major townships within Mildura Rural City's urban area include Mildura, Irymple, Red Cliffs and Merbein. These irrigation areas formed part of the first irrigation colony established in Australia.

Other townships within Council's rural area include Ouyen, Walpeup, Murrayville, Underbool, Werrimull, Cullulleraine, Nangiloc and Colignan.

Key economic advantages for the Mildura Rural City include its proximity to the Murray River, its solar resource base, a vibrant community, its strategic location and vocation and tertiary education institutions.

Mildura boasts the largest and busiest regional airport in Victoria with over 200,000 passenger movements each year to Melbourne and Adelaide.

Mildura Rural City's estimated resident population is 60,281. The City's population growth rate over the last decade exceeds 1% per year on average. With the structure of the region's economy and a significant transient population for employment purposes, Council serves a regional population of 100,000 across three states – Victoria, New South Wales and South Australia.

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Mayor's Message

The 2010/2011 financial year has been largely defined by natural phenomena, with the worst floods in the region's history devastating parts of the city in February 2011. A locust plague also threatened to decimate our agricultural and horticultural industries in late 2010, while unseasonable wet weather throughout 2010/2011 sparked widespread disease in wine and table grapes. The wet weather has had ramifications for many areas of Council as well, including the Park Services team which has been required to manage continued and vigorous growth of grasses and weeds throughout the municipality, our roads crews and the many staff who were involved in the initial flood response and ongoing recovery efforts.

The flood event has had significant effects on Council's capital and operational programs, restricting its ability to meet certain commitments. However, Council has worked hard to source federal and state funding, including post-flood road and drainage repair works of \$9.5 million and \$8.5 million respectively. About \$5.6 million in external grant funding for other identified projects and initiatives has also been secured. Meanwhile, Council has been successful in gaining a \$450,000 future budgets grant for the development of a new library at Merbein.

While the flood event created a significant financial burden to the region, the response and recovery process has again revealed the resilience of this community and the willingness of people from across different sectors, including local government, to work together. As mayor, this is something I am extremely proud of.

I am also proud of several new policy directions Council has taken over the past 12 months. Key policies such as the parental leave policy, flexible working arrangement policy and the breastfeeding policy are shining examples of sound corporate policy at work. Mildura Rural City Council is leading the way nationally in its uptake of many of these workplace initiatives.

Despite funding for projects being re-allocated due to flood damage, a range of major projects have moved ahead in 2010/2011. These include the Langtree Mall redevelopment, the consultation and design phases of the Deakin Avenue Masterplan (Seventh to Tenth streets), Mildura Riverfront Redevelopment and Merbein Community Hub. Council also remains committed to the development of Mildura South Wetlands Project and the Mildura Eco Living Park and Centre.

From an advocacy perspective, Council continues to champion water issues and is exploring new opportunities and options for local irrigators. Council will continue to push hard for the reinstatement of a passenger rail service. Council has provided responses to both the Trains Feasibility Report and the Murray Darling Basin Plan.

The business of local government is by no means an easy one and has been made more difficult this past year by crisis we have faced. I would like to thank my fellow councillors and all Council staff who work so hard to provide the services, infrastructure, facilities and support our community requires.

Cr John Arnold
Mayor

Chief Executive Officer's Overview

2010/11 got underway with a new management team in place and the introduction of monthly management reporting to Council on finances, service delivery and key performance indicators. Like most management restructures, there were some teething issues as people absorbed their new roles and got used to working as part of a much tighter management team with increased levels of accountability.

A critical issue to tackle was the large backlog of planning applications that were frustrating the development industry and preventing our planners give full attention to more recent applications that would produce investment and generate jobs. A fast track approach to major applications was established whilst we gradually brought the planning team up to full strength and worked hard to reduce the backlog. With the backlog now reduced to work in progress levels, complementary strategic work was well advanced to provide a range of re-zonings that would provide opportunities for major retail investment in the city.

As we moved into the new year, our emergency management planning was on full alert with widespread flooding through the Loddon and Campaspe river systems making its way into the Murray River at the same time as the Darling system has running at full capacity. When a number of our municipal neighbours experienced flash flooding, we sent teams of staff to provide relief and gain firsthand experience in emergency management and recovery, fully expecting that they could return well ahead of a riverine flood in Mildura.

The unprecedented rainfall event of 4 February left the district with countless bodies of water that had no natural means of discharging into the Murray system. Week after week of pumping followed as irrigation channels and sub-surface irrigation drainage systems tried to cope with the deluge. Likewise, the urban drainage network was never designed to cope with a rainfall event of this magnitude and so many urban and horticultural properties, and homes were inundated for extended periods causing widespread economic loss and hardship. Our response and recovery effort alongside other authorities was instrumental in helping the community get through the worst but the economic impact of crop loss following a decade of drought will last for a long time.

With some excellent master planning to identify key projects, the year was highlighted by securing capital funds to progress long awaited major projects including the mall redevelopment, performing arts centre, airport terminal expansion and riverfront. The mall and arts centre projects moved through the consultation and design phase with contracts awarded and construction now underway. The airport and riverfront projects secured state government funding commitments with federal funding being pursued through Regional Development Australia. On top of these initiatives, the Council committed to a two year major upgrade of urban drainage to better cope with moderate rainfall events and mitigate the risk of flash flooding of businesses and homes.

The Murray-Darling Basin Guide and return of Mildura's passenger train were the major external advocacy issues during the year. An overwhelming community response to the basin guide has sent the Murray-Darling Basin Authority back to the drawing board and we eagerly await a new plan that properly balances environmental, economic and social needs. Likewise, a vibrant community response to the passenger train feasibility study left no doubt that it's a vital service which any regional centre needs to access its capital city. The \$500 million cost to return the service was clearly a gross overstatement and the more realistic \$200 million cost is currently being evaluated by the Department of Transport.

Despite the lingering impact of the global financial crisis, Mildura continued to attract the interest of large scale solar and horticultural investors and national retailers. The TRUenergy proposal for a major solar project was unfortunately not supported through the federal government's Solar Flagships Program. However, the Solar Systems project at Carwarp advanced with state and federal support. Major retailers continued to seek investment opportunities to service Mildura's positive population growth.

Maintaining a balanced budget position throughout the year proved quite challenging, particularly with the damage caused by the February floods. Fortunately the state government was quick to respond with financial support which, due to timing of revenues and expenses, tends to skew the 2010/11 financial result and imply a substantial operating surplus. These surplus funds will be disbursed during 2011/12 as we work through a major road repair program and replace community assets that were destroyed.

Overall, Mildura Rural City Council is in good shape financially as it fully funds depreciation, has moderate debt, maintains a positive cash flow and can deliver a balanced underlying budget result. Lack of revenue growth and maintaining tight control of Council-funded employee costs remain the two areas of focus to ensure the financial position of the Council is not eroded over time. The boom times of record new house construction and land subdivision have passed and therefore finding revenue sources other than rates to fund service delivery for a growing city remains a key challenge for the Council.

Nothing tests the capacity of local government like a natural disaster and whilst the community expressed its anguish and anger during and post the February floods, the Council team got on with the job and rose to the occasion on all levels. From the leadership displayed by the Mayor through to the staff in the field refueling the pumps, the commitment and dedication of Councillors and staff was exemplary. I'm proud of what the Council has achieved during 2010/11 and hope that subsequent years deliver more prosperous and stable times for the community.

Mark Henderson
Chief Executive Officer

Our Councillors

Current Councillors (2008 – 2012)



Cr John Arnold - Mayor

(Terms: 2003 – 2005, 2005 – 2008, 2008 – 2012)

John lives in Mildura, is married to Ros and has two adult children. He was a dried fruit and citrus grower for 27 years and operated a manufacturing business for 16 years.

John has served on Mildura Rural City Council since 2003, and has twice been elected Mayor in 2007 and 2008, and now most recently in December 2010.

John has been involved in a number of community organisations and is currently Chairman of the Mildura Waste Management Group and a board member of the Mallee Catchment Management Authority. John is also Festival Co-ordinator of the Mildura Country Music Festival. John holds the Governance, Finance and Planning Portfolio.



Cr Susan Nichols – Deputy Mayor

(Terms: 2000 – 2003, 2005 – 2008, 2008 – 2012)

Sue's great-grandfather arrived in Merbein in 1886 as an emissary to Lord Ranfurly and she has had a family member in Merbein since that time.

Sue has four adult children, eight grand children and one great-grandson. She is a civil marriage celebrant and a New South Wales Justice of the Peace.

Any spare time Sue has she spends playing lawn bowls, and is a past President of the Sunraysia District Ladies Bowling Association. Sue is also a Legatee with the Mildura Legacy Club, providing support to war widows and enjoys meeting with Legacy members.

She served one term until amalgamation in 1995 with Mildura Shire Council. Sue is now in her third term on the Mildura Rural City Council, and is the current Deputy Mayor, looking after the Recreation Portfolio.

Cr Nick Cavallo

(Term: 2008 – 2012)



Nick is passionate about the municipality where he was born and raised. Nick attained a science degree at Footscray Institute of Technology before returning to Mildura where he worked at Murrayland Fruit Juices for 12 years.

In 1995, as a partnership, Nick opened GMC Leading Edge Computers. He is a past president of Mildura Chamber of Commerce and has supported many sporting clubs, associations and charities.

Nick is the President of Mildura Settlers Cricket Club and a committee member of the Mildura Willowfest Cricket Carnival. He holds the Economic Development Portfolio and is a member of the Mildura Cemetery Trust, Northern Mallee Local Learning and Employment Network and the Sunraysia Sustainability Network.

Cr Mark Eckel

(Terms: 2000 – 2003, 2005 – 2008, 2008 – 2012)



Mark is in his third term on Mildura Rural City Council, taking an interest in areas such as tourism and community advocacy.

Mark's father was a naval officer, which meant the family travelled extensively. It was always Mark's dream to settle in Mildura as his grandparents lived in the region. He did so in 1974.

Mark is married to Denise and between them they have seven children and 13 grandchildren. Mark has extensive marketing experience in the club and tourism industries. He is currently a radio broadcaster at HOT FM where he presents the breakfast and morning shows.

Mark holds the Tourism Portfolio and chairs a number of committees including Mildura CBD Redevelopment, CBD Safety Partnership and Chaffey Trail Reference Group.

**Cr Judi Harris**

(Term: 2008 – 2012)

Judi's first home was a pickers' hut. In 1966, Judi enjoyed a year in the Philippines as Robinvale Rotary's first exchange student.

On return, Judi's family moved to Mildura. She finished school, gained a teaching degree and married husband Lindsay.

A move to Mildura in 1980 gave Judi opportunities to work as an honorary probation and parole officer; a drama teacher with Mildura Little Theatre; a teacher to adults at TAFE, the Wimpatja Program and

Deakin University.

After her fourth child was born, Judi returned to teaching, finishing her career at Mildura Senior College. On retiring, Judi moved to New York City for four years to work as an educational consultant, focusing on organisational change and management. Judi holds the Arts and Culture Portfolio.

**Cr Fiona Hilton-Wood**

(Term: 2008 – 2012)

Fiona was born locally and lived her early childhood in Colignan and Red Cliffs. She now lives in Irymple with her husband and two teenage children.

Fiona has been employed in the banking sector and both in local government, as the Customer Service Coordinator for the South Gippsland Shire Council and in state government, as an Electoral Officer for the previous local Member of Parliament. Together with her husband Bert, they both now run a family business in Mildura.

The Infrastructure Portfolio sits with Fiona, and she also chairs the Municipal Emergency Management Planning Committee and the East End Community House Committee.

**Cr Vernon Knight**

(Terms: 2003 – 2005, 2005 – 2008, 2008 – 2011)

Vernon served on Council from 2003 until March 2011, when he resigned his position as a councilor.

Vernon is employed as the CEO of Mallee Family Care and holds an adjunct professorship from La Trobe University.

With his wife Chris, he has raised six children during his thirty- one years as a resident of the area.

He was awarded an Order of Australia for service to the community in 2002, and has been a member of many community boards, most recently being Chair of the Alliance of Councils for Rail Freight Development, and was instrumental in establishing Council's Community Engagement Project.

**Cr Glenn Milne**

(Terms: 2005 – 2008, 2008 – 2012)

Glenn was born in Red Cliffs and educated locally. His parents were dried fruit and citrus growers and this has given Glenn a keen interest in horticultural issues.

Apart from working part-time on his own fruit block, Glenn has been employed as a press photographer and worked in community development and welfare. He has an Associate Diploma in Welfare Studies from Sunraysia Institute of TAFE and a Diploma in Welfare Management through RMIT University.

Glenn is a life member of the Mallee Accommodation and Support Program and also serves on the boards of the Sunraysia Community Radio Association and Sunraysia Residential Services.

Following two years as Mayor in 2009 and 2010, Glenn now holds the Environment Portfolio.

**Cr Sharyon Peart**

(Terms 2005 – 2008, 2011 – 2012)

Sharyon resumed her position on Council through count back following the resignation of Vernon Knight in March 2011.

Sharyon has lived in the Nangiloc/Colignan area for the past eight years. She currently has two teenage sons studying VCE and is passionate about education, having spent seven years on both primary and secondary school councils. She is also a current member of the La Trobe University Regional Advisory Board.

Community development and engagement are keen interests of Sharyon's and she is inspired by the resilience of our communities. Sharyon holds the Community Portfolio with her secondary portfolio being Arts and Culture.

**Cr Max Thorburn**

(Term: 2008 - 2012)

Max moved to Mildura in 1964 after completing secondary schooling at Upwey High.

Max's media career began writing football reviews at age 13 for the Mountain District Free Press in 1959 and then he came to Mildura to work at Radio 3MA in 1964. Max has also worked on radio stations in Colac, Moree, and Georgia and Louisiana in the US.

Max's publishing career includes being former Chief of Staff at Sunraysia Daily and 25 years as editor of the Mildura Independent Star.

Max was joint founder of the Mildura Country Music Festival and Sunraysia Community Radio Association (HOT FM). He has also worked as a racing commentator for 40 years and a bingo caller for 26 years.

Max's involvement in music and entertainment has also seen him appointed as an American Country Music Awards judge and former Australian judge.

Our Vision and Values

Vision

“The most liveable, people friendly community in Australia.”

Council Values

Council’s values form part of our organisational culture, but most importantly, they outline the behaviours for Councillors and staff to display as they work with the community.

Members of the community were asked what qualities or characteristics they believed were important for Council to demonstrate. From the responses received, the following five values were adopted:

Honesty

We will be consistent, keep our promises, admit our mistakes and clearly communicate our decisions.

Integrity

We will live the Council values, be reliable and trustworthy in our actions and behave ethically and respectfully towards others, whose opinions may be different from ours.

Accountability

We will keep well informed when setting our goals, take responsibility for our actions and appreciate everyone’s contribution towards achieving results.

Transparency

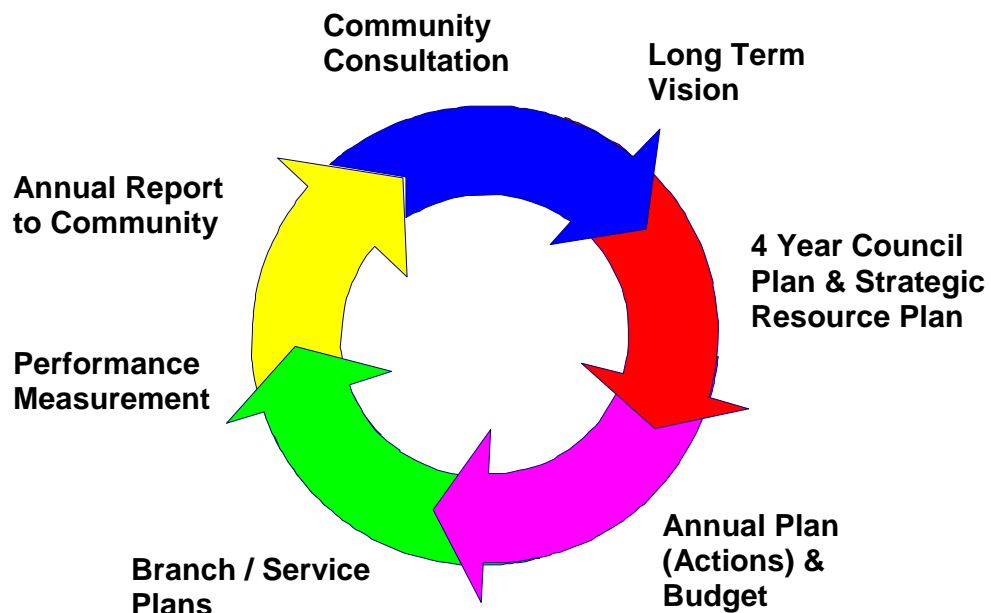
We will keep accurate records, be open and fair in our communications and be willing to discuss our decisions with others.

Consultation

We will engage and initiate meaningful conversations, appreciate our diverse community and value our relationships to build mutual trust and respect.

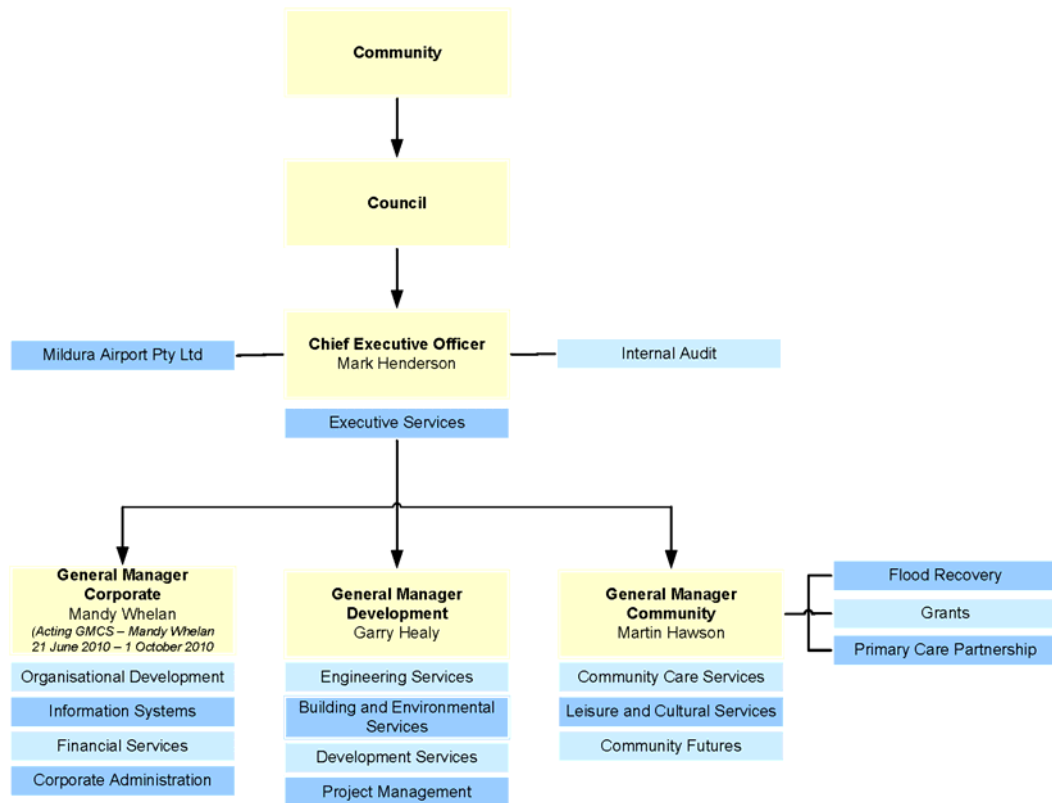
Planning and Reporting Our Performance

Every year Council endorses an annual plan based on its four-year strategic plan that outlines the key actions and initiatives that will be undertaken over the next twelve months. Results are reported to the community at the end of each twelve-month period.



Organisational Structure

Mildura Rural City Council's Organisational Structure is headed by the Chief Executive Officer, Mark Henderson, with three General Managers.



Employment Statistics

Category	Numbers	Percentage
Total Employees	624	
Total equivalent full time employees	481.18	
Total full time employees	381	61.05
Male full time employees	219	35.09
Female full time employees	162	25.96
Total part time employees	194	31.08
Male part time employees	11	1.76
Female part time employees	183	29.32
Total casual employees	49	7.85
Male casual employees	12	1.92
Female casual employees	37	5.92

Equal Opportunity Program

Council is committed to the principle of equal opportunity in the workplace. Council recognises the value of all Council employees and will select individuals on the basis of personal merit, in fair and open competition according to the skills, qualifications, knowledge and efficiency, relevant to the position involved. Council promotes employee morale and motivation by establishing employee confidence in personnel practices and employment opportunities. Council's policy of equal opportunity reflects a desire for staff to progress to the full extent of their ability.

Council has an Equal Opportunity (EO) program that consists of developing, implementing and communicating the following:

- EEO policy including complaints procedure
- Bullying and Harassment policy
- Discipline policy
- Working from Home policy
- Flexible Working Arrangement policy
- Induction policy
- Recruitment and Selection policy
- Training and Professional Development policy
- Employee Assistance Program policy

The EO policy sets out the framework for the EO Committee and EO officers. Council has 12 contact officers in selected worksites across Council.

Equal Opportunity achievements in 2010-11 include:

- Review the composition of the EO committee
- Contact Officer training conducted for all committee members
- EO training for all Managers and Team Leaders
- EO training for all general staff
- Employee Assistance Program policy established.

Proposed Actions for 2011/12

The following actions have been planned for the 2011/12 financial year:

- Professional development program to be introduced for the Contact Officers
- In house EO Awareness session to be conducted for all new staff
- EO Committee to meet quarterly to review all EO issues identified
- Review all relevant policies including updating the EO policy to include new legislation
- Councils designated EO Officer to attend EO briefings

Executive Services

Executive Services is led by Council's Chief Executive Officer, Mark Henderson, who is responsible for provision of the following services:

- executive support for the Mayor and Councillors
- liaison with other levels of government
- implementing Council's policies and decisions
- approving reports and advice to Council
- communication between Council and major stakeholders
- economic development and investment attraction
- managing and overseeing the administration of Council and the Council Plan
- coordinating the activities of Council staff
- leadership of the Strategic Management Team.

During 2010/2011, a major management restructure was implemented to produce a leaner, more cohesive management team. Following an external recruitment process, the new management team was appointed on fixed-term performance-based contracts and comprises a mix of internal appointments and fresh faces with broad local government and commercial experience.

The team meets regularly to ensure all managers are well briefed on organisational direction and key issues.

Corporate Department

Our Senior Officers

The Corporate Department is led by Mandy Whelan, General Manager Corporate, who is responsible for the following areas:

- organisational development
- financial services
- information systems
- corporate administration
- internal audit.

In addition to Mandy Whelan, senior officers in the Corporate Department are:

Kate McMillan, Manager Organisational Development

Areas of responsibility:

- Corporate planning and reporting
- Organisational development
- Human resource management
- Occupational health and safety

Tim Rodger, Employee Relations Officer

Areas of responsibility:

- Provision of a range of professional and timely Employee Relations services and advice to Council's senior management, including:
 - development of relevant human resources and employee relations policies and procedures
 - performance management processes
 - industrial relations advice
 - enterprise agreement negotiation
 - employee terms and conditions of employment interpretation and implementation.

The Employee Relations Officer is also responsible for undertaking the role of Council's designated Equal Opportunity Officer and ensuring Council's compliance with equal opportunity principles.

David Folvig, Manager Financial Services

Areas of responsibility:

- Finance
- Revenue (Rates)
- Property (Valuations)
- Procurement

- Stores
- Fleet and plant management
- Acquisition and sale of council property functions.

Stephen Lush, Property Services Coordinator

Areas of responsibility:

- Valuations for rating purposes
- Extensive property services to all areas of Council
- Biennial General Valuations for Council rating and state land tax purposes
- Supplementary valuations
- Valuation services to Council for a variety of other purposes, including, financial reporting, insurance and rental assessments
- Real-estate advice for Council branches and departments to assist with purchase, sale or management of Council's property assets.

Chris Parham, Manager Information Systems

Areas of responsibility:

- Information technology strategy and support
- Records management
- Systems integration
- Mobile and fixed telephony support
- Telecommunications vendor management

Richard Sexton, Manager Corporate Administration

Areas of responsibility:

- Customer relations
- Risk and emergency management
- Governance
- Tourism
- Marketing and communications

Our Services

The Department provides a range of services to residents, ratepayers, visitors, Councillors, Council staff and sporting and community groups including:

Information technology
Records management
Geographic information systems
Customer service and call centres
Valuations
Property and leasing
Corporate governance

Coordination of Council meetings, agendas and minutes
Coordination of legal advice
Official travel and accommodation
Civic support and citizenship
S86 liaison
Australia Day awards

Municipal elections
Business conferencing
Chaffey Trail
Corporate governance and legislative compliance
Audit Committee support
Sister city relations
Procurement
Contract tendering
Debt collection
Financial planning and reporting
Accounts payable/receivable
Investments and loan portfolio management
Stores management
Fleet and plant management
Rates and revenue collection
Taxation compliance

Occupational health and safety
WorkCover administration
Risk management
Insurance portfolio and claims management
Business continuity
Emergency management and planning
Corporate planning and reporting
Business improvement
Human resource management
Payroll
Equal opportunity
Marketing and communication
Mildura visitor information
Property and leasing
Marketing and communications
Advertising

Our Challenges

A range of legislative and economic factors impacted the Corporate Department's performance and methods of carrying out its objectives and functions during the year. Specifically:

- Many areas in the Corporate Department were involved in providing direct assistance to the public and support to other areas of Council throughout the February Flood Event. Whilst this presented challenges with our resources, it also demonstrated an outstanding will and capacity to work together to do what it took to assist a community in crisis.
- The development of the 2011/2012 Budget was a major challenge for Council in balancing the need to ensure financial sustainability into the future whilst at the same time ensuring Council delivers an affordable level of service to the community in line with the Council Plan 2009 to 2013.
- Major reforms to conflict of interest provisions within the *Local Government Act 1989* required the provision of legislative training and periodical updates to educate councillors and staff on these reforms.
- Legislative reforms and increased penalties relating to bullying required the delivery of additional training to staff through the Equal Opportunity Program to promote awareness and understanding of the reforms.

Our Highlights

The Department reviewed a number of existing policies and introduced a series of new policies.

One of the key policy directions for Council over the last 12 months has been ensuring Council provides a family-friendly workplace that provides options for working parents. The following policies were developed to support this direction:

- Parental Leave Policy

- Flexible Working Arrangement Policy
- Breastfeeding Policy.

In addition to policies, the Department reviewed the Organisational Development Strategy and developed the Mildura Business Event Planners' Guide.

Other highlights for the Department included:

- Coordinating the recruitment processes for all third level managers as part of the organisational restructure
- Preparation for the changes to the Victorian Equal Opportunity Act and coordination of Equal Opportunity training sessions for all staff
- Introduction of an online OH&S Induction Program for all contractors and roll out of the program to all existing contractors
- Continued reporting to Council on a quarterly basis on the organisation's performance against the Annual Plan (Council Plan)
- Continued development and review of programs such as Continuous Improvement Awareness sessions, Corporate Induction session and Recruitment and Selection Training
- Development of a website to promote Mildura and business events
- Development and release of a DVD at Queens Hall, Melbourne, detailing the February 2011 Flood Event
- Hosting of conferencing/business events to the value of more than \$2 million
- Staff attendance the Ulysses AGM 2011 in Newcastle where in excess of \$120,000 of business accommodation was accepted for the Mildura region in anticipation of next year's Ulysses AGM in Mildura
- Successful attraction by the Business Conferencing Events Unit of the much sought after 700 person National Rotary Convention for Mildura in 2012
- Continuation of Council wide implementation of the Civica Authority Integrated Enterprise System
- Implementation of Bluesocket Wireless Access for all branch libraries – for public use
- Alignment of whole of Council paper procurement process with sustainability and financial management strategies
- Commencement of records destruction process in line with legislative requirements for document retention
- Support and deployment of IT infrastructure for flood recovery and municipal emergency control centres
- Celebration of the 10 year anniversary of the implementation of the TRIM records management system
- Development of an improved capital works programming and reporting processes
- Commencement of a Procurement Excellence Program

Development Department

Our Senior Officers

The Development Department is led by Garry Healy, General Manager Development, and includes Engineering Services, Development Services, Building & Environmental Services, and Project Management.

In addition to Garry Healy, senior officers in the Development Department are:

Geoff Gunn, Manager Engineering Services

Areas of responsibility:

- *Infrastructure Services:*
 - road construction and maintenance
 - bitumen spray sealing and road resurfacing
 - signs and linemarking
 - drainage construction and maintenance
 - footpath, and kerb and channel construction and maintenance
 - roadside slashing
 - road patrol maintenance
 - road asset inspection and reporting
 - emergency response.
- *Engineering Services:*
 - Engineering design and project supervision
 - road safety initiatives
 - Asset inspection reporting and management
 - stormwater management
 - street design
 - road opening and hoarding permits.

Andrew Millen, Manager Development Services

Areas of responsibility:

- Oversight of Council's role as 'responsible authority' for the determination of planning applications, related to the use and development of land in the municipality, which may include:
 - subdivision
 - construction and removal of buildings
 - development overlays (e.g. heritage protection)
 - change of use.
- Building surveying

- Parking and local laws compliance
- Pet registrations and animal pound operation
- Municipal Fire Prevention Plan
- School Crossing Supervision

Mark Yantses, Municipal Building Surveyor

Areas of responsibility:

- Management of the building control responsibilities of the *Local Government Act 1989*, *Building Act 1993* and associated regulations, including:
 - building and occupancy permits
 - consent and reports
 - enforcement and prosecution
 - building advice to the community
 - swimming pool safety.
- Additional functions relating to Council-owned buildings such as the provision of regulation advice to other departments internally

Matt George, Manager Building and Environmental Services

Areas of responsibility:

- Parks services
- Waste management
- Building maintenance
- Building inspections programs
- Property inspections and reporting including repairs, new construction works and security monitoring

Sarah Nickas, Manager Project Management

Areas of responsibility:

- Planning and delivery of nominated major capital works projects whilst ensuring compliance with environmental and OH&S requirements, and all statutory requirements

Our Services

The Department provides a range of services to residents, ratepayers, visitors and community groups, these include:

Capital Works Program development and delivery
 Transport & infrastructure planning & projects
 Project management
 Road maintenance & construction
 Major projects implementation
 Public open space, sporting facilities and playground maintenance

Animal control
 Local law enforcement
 Fire prevention
 Disabled parking scheme
 School crossing supervision
 Planning enforcement
 Statutory planning
 Building surveying
 Bitumen services

Drainage maintenance
Kerb, channel and footpath
construction/maintenance
Street signs and line marking
Property/building inspection and reporting

Landfill and transfer operation
Garbage and litter collection
Street sweeping
CBD cleaning

Our Challenges

The Department played a major role in the co-ordination and eradication of the locust plague that occurred during 2010/2011. The Department also played a significant support role in the response to the stormwater flooding events of February 2011.

The unseasoned wet weather conditions in the latter part of 2010/2011 set considerable challenges for the Park Services team by way of continued and vigorous growth of grasses and weeds throughout the municipality.

Our Highlights

The Department has played a key role in the following major projects:

- Response and recovery from significant storm events of February 2011:
 - \$9.5 million of road repairs identified to be undertaken
 - \$8.519 million of drainage works identified to be undertaken
- Langtree Mall redevelopment
- Consultation and design Deakin Avenue Masterplan 7th to 10th streets
- Consultation and concept design Mildura Riverfront Redevelopment
- Consultation and design Merbein Community Hub
- Development of Mildura South Wetlands Project
- Irymple Kindergarten Extension
- Mildura Olympic Pool filtration upgrade
- Mallee Track Recycling initiative
- Mildura Eco Living Park and Centre concept design
- Relocation and recommissioning of Elstead Homestead to the Old Mildura Homestead site

Other major achievements for the Department included:

- Receipt of 609, and determination of 758, planning applications
- Receipt of 111 subdivisions for certification and issue of a Statement of Compliance for 113 subdivisions
- Issue of 1,282 planning certificates
- Issue of approximately 150 building permits and 1,000 building certificates
- Planning and preparation for the commencement of a household waste recycling service to the Ouyen to Murrayville area.

Community Department

Our Senior Officers

The Community Department is led by Martin Hawson, General Manager Community, and includes Leisure and Cultural Services, Community Care Services, and Community Futures.

In addition to Martin Hawson, senior officers in the Community Department are:

Ray Lyons, Manager Leisure & Cultural Services

Areas of responsibility:

- Recreation planning and development
- Library services
- Youth services
- Arts and culture
- Community events

Donna Gardner, Manager Community Care Services

Areas of responsibility:

- Home care/maintenance
- Aged and disability services
- Maternal and child health
- Family day care
- Playalong
- Early years/Pre-school
- Immunisations
- Environmental health

Mark Jenkins, Manager Community Futures

Areas of responsibility:

- Community planning
- Community development services
- Strategic land use planning and policy
- Environmental sustainability
- Veterans' affairs
- Skilled migration

Our Services

The Community and Culture Department provides a range of services to the community and community groups, including:

Sporting and recreation clubs	Aged community
Tourist/visitors	Young families
Community groups/organisations	Disabled people
Youth including those disadvantaged	Indigenous community
Arts, cultural and events organisations	Veterans' affairs
Local education providers	Skilled migrants

The services provided to these groups include:

Four branch libraries and a mobile library which travels to remote townships	Community safety
Youth Participation and Access Program	Community engagement framework
FreeZA programs	Planned activity groups for the aged and disabled population
Youth connections	Homecare
School focused youth services	Property maintenance
Hiring of recreation facilities	Support to senior citizens clubs
Aquatic and leisure centres	Assessment, intake and individual support for the aged and disabled
facility development	Playalong
Recreation grant schemes	Family Day Care
Events and Festival Grants Program	Best Start
Event facilitation production and promotion	Supported Playgroup
Arts Theatre and Gallery including the historic Rio Visa House and Old Mildura Homestead	Walking School Bus/Kids on Bikes
Community Arts Outreach Programs	Maternal and child health immunisation programs
Strategic planning for the community	Positive Parenting Program
Community plans development and support	New Parents Group
Environmental sustainability initiatives development and implementation	Food sampling
Social inclusion programs	Tobacco inspections
Rural access and inclusion initiatives implementation	Caravan park registrations
	Mosquito monitoring and treatment
	Septic tank inspections
	Information and referral service to veterans/widows
	Skilled migration

As a result of the restructure, which took effect on 1 July 2010, the Community Department now includes Leisure & Culture Services, Community Care Services, and Community Futures. Specific changes include:

- the Mildura Arts Centre and Community Events units being integrated into the Leisure and Cultural Services Branch
- the establishment of a new Community Futures Branch
- Environmental Health and Immunisations being integrated into the Community Care Services Branch.

Our Challenges

The flood event has had significant effects on the Community Department's Capital and Operational programs, which has limited the department's ability to meet certain commitments. Specific effects of the flood event include:

- A reduction by Council in support for community safety.
- A decrease in capital works funding and funding for projects being re-allocated due to flood damage. These factors have delayed implementation of master plans and strategies for the development of facilities at sports and recreation reserves and swimming pools.
- The provision of a significant recovery effort by the Community Futures Branch in response to an urgent community need for assistance and support following the February 2011 flood event.

The Community Futures Branch has provided a broad range of recovery functions and continues to support community development activities and flood recovery efforts across the municipality.

The deployment of staff to the flood recovery effort has, however, had an impact upon activities conducted within the Community Futures Branch, in particular community planning activities.

- Major flooding of the Cardross township having caused major damage to facilities and infrastructure at the Cardross Recreation Reserve. This resulted in Council having to find alternative facilities for clubs and work to seek funding for the replacement of facilities.

Legislative and other factors that have impacted on the Community Department's operations include:

- Early Years Learning reform. This reform has seen Council become the licensee for Family Day Care, which increases responsibility for the level and quality of service provided.
- Ongoing issues with recruitment of staff. This has affected Homecare targets.
- Staff shortages in Maternal and Child Health have impacted on key ages and stages targets. Strategies are being put into place to manage this issue.
- Long-term staff shortages in Recreation Services and Youth Services. These shortages have now been rectified.
- The closure of Mildura Arts Centre Theatre for demolition and commencement of redevelopment. This has caused major interruption to services provided from the Mildura Arts Centre including access to the Gallery and Rio Vista. However,

Outreach Services have increased with the inclusion of new Arts programs and Performing Arts has been conducted at other venues where possible.

Our Highlights

The Department has played a key role in the following major projects:

- The demolition of the Mildura Arts Centre Theatre, completed in readiness for commencement of redevelopment in 2011/12
- New mobile Library Service vehicle
- Netball courts completed at Quondong Park, Red Cliffs
- Red Cliffs Skate Park design completed, in readiness for construction to commence in 2011/12
- Merbein Boat Ramp Project completed
- Completion of internal renovations of Merbein Kindergarten, as well as Playground upgrade
- Completion of internal renovation at Playalong Childcare
- Solar Hubs Project
- Sunraysia Energy Savers 90
- Eco Living Centre
- Red Cliffs Skate Park
- Merbein Community Hub
- Buxton Sobee Park
- South Mildura Community Plan
- Cardross/ Koorlong Community Plan
- Irymple Community Plan
- East End Community Plan
- Blackburn Park Solar Project

Other major achievements for the Department include:

- Facilitating \$5.58 million external grant funding into projects and initiatives
- Attracting and managing services and projects funded by grants of \$1.633 million
- Successful grant of \$450,000 in future budgets for the development of a new library at Merbein
- Community Engagement Framework initiatives such as the Parenting Unit, Safety Initiative, Study into Childhood accidents, Drug and Alcohol initiatives, and Education (Unlocking Sunraysia's Potential)
- Successful grant of \$200,000 for the refurbishment of Irymple kindergarten
- Completion of Strategy for Older People
- Completion of Municipal Early Years Plan

- Supported the development and implementation of three pilot projects for Murrayville, Werrimull and Underbool kindergartens
- Council's strategic planning unit has worked on progressing planning amendments C63, C67 and C68 relating to land use and structure plans. The unit has also been working to complete the review of the Mildura Planning Scheme - C64.
- Preparation of Council's response to the Trains Feasibility Report
- Preparation of Council's response to the Murray Darling Basin Plan

Local Government Information

Information Available for Public Inspection

In accordance with Part 5 of the *Local Government (General) Regulations 2004*, the following information is available for public inspection on request at Council's Mildura Service Centre, 108 – 116 Madden Avenue, Mildura, during normal office hours from 8 am to 5 pm on weekdays.

- (a) Details of current allowances fixed for the Mayor, Lord Mayor (if any) and Councillors under section 74 or 74A of the Act;
- (b) The total annual remuneration for all senior officers in respect to the current financial year and the previous financial year, set out in a list that states –
 - i) ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and
 - ii) the number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (i);
- (c) Details of overseas or interstate travel (with the exception of interstate travel by land for less than 3 days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost to the Council of the overseas or interstate travel, including accommodation costs;
- (d) Names of Council Officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- (e) Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted;
- (f) Agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- (g) A list of all special committees established by Council and the purpose for which each committee was established;
- (h) A list of all special committees established by the Council which were abolished or ceased to function during the financial year;
- (i) Minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- (j) A register of delegations kept under section 87 and 98 of the Act, including the dates on which the last reviews under sections 86(6) and 98(6) of the Act took place;

- (k) Submissions received in accordance with section 223 of the Act during the previous 12 months;
- (l) Agreements to establish regional libraries under section 196 of the Act;
- (m) Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;
- (n) A register of authorised officers appointed under section 224 of the Act;
- (o) A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant;
- (p) A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council;
- (q) A list of contracts valued at \$100,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more –
 - i) Which the Council entered into during the financial year without first engaging in a competitive process; and
 - ii) Which are not contracts referred to in section 186(5) or (5A) of the Act.

Best Value

In accordance with the *Local Government Act 1989*, Council applies Best Value principles to its strategic and business planning processes. This means:

- All services provided by Council must meet quality and cost standards.
- Each service provided by Council must be accessible to those members of the community for whom the service is intended.
- All services provided by a Council must be responsive to the needs of the community.
- A council must provide continuous improvement in the provision of services for its community.
- A council must develop a program of regular consultation with its community in relation to the services it provides.
- A council must report regularly to its community on its achievements in relation to the principles.

This Annual Report illustrates Council's performance against these Best Value principles and includes its strategic direction and continuous improvement activities across the year.

National Competition Policy Compliance 2010-11

National Competition Policy Compliance: 2010-11

Certification by Chief Executive Officer

Mildura Rural City Council has complied with the requirements of the National Competition Policy (NCP) for the period 1 July 2010 to 30 June 2011, in accordance with the requirements outlined in *National Competition Policy and Local Government (Revised 2011)* as set out below:

A. Trade Practices Compliance	Compliant
B. Local Laws Compliance	Compliant No local laws were made or re-made during 2010-11.
C. Competitive Neutrality Compliance	Compliant Mildura Rural City Council has no significant business activities.

I certify that:

- this statement has been prepared in accordance with the 2010-11 National Competition Policy reporting guidelines; and
- this statement presents fairly the Council's implementation of the National Competition Policy.

Signed: 
(Chief Executive Officer)

Date: 22.9.11

Would your council benefit from receiving information or advice about specific areas or issues relating to the application of Victoria's Competitive Neutrality Policy? If so, please specify which areas.*

No.

.....
*This information will be passed to the Competitive Neutrality Unit of the Victorian Competition and Efficiency Commission to help it develop advice to assist councils in applying competitive neutrality.

Service Centres

Mildura

Madden Avenue Service Centre

108 – 116 Madden Avenue, Mildura

Ph: (03) 5018 8100

Fax: (03) 5021 1899

Email: mrcc@mildura.vic.gov.au

Deakin Avenue Service Centre

76 – 84 Deakin Avenue, Mildura

Ph: (03) 5018 8100

Fax: (03) 5021 1899

Email: mrcc@mildura.vic.gov.au

Ouyen

Ouyen Service Centre

79 Oke Street, Ouyen

Ph: (03) 5091 3600 (for Ouyen callers)

Fax: (03) 5018 8600 (for all other callers)

Fax: (03) 5092 1017

Email: mrcc@mildura.vic.gov.au

By Mail

Chief Executive Officer

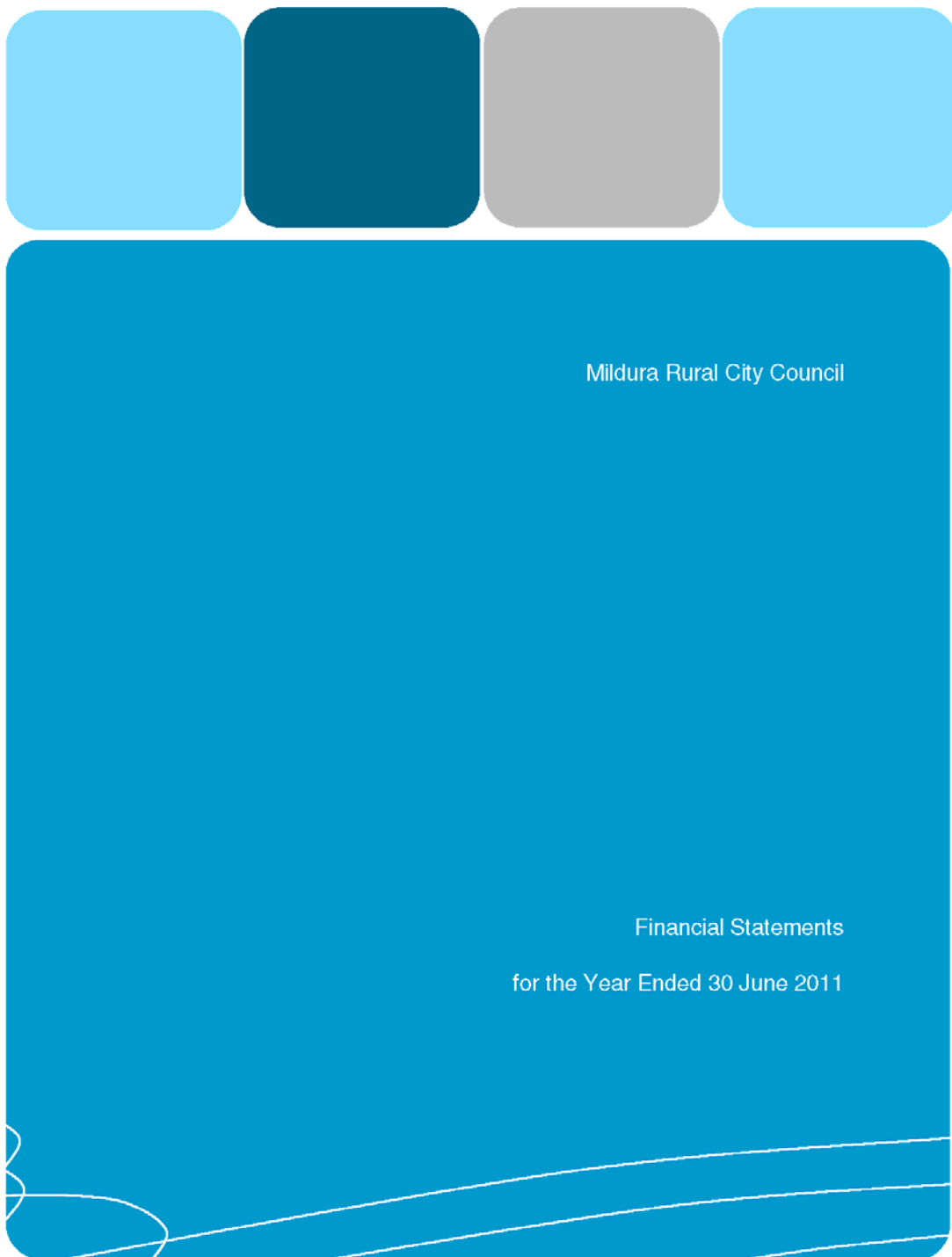
PO Box 105

Mildura, Victoria, 3502

Website

www.mildura.vic.gov.au

Financial and Standard Statements



Mildura Rural City Council
Financial Report
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*Mildura Rural City Council
2010/2011 Financial Report*

**Comprehensive Income Statement
For the Year Ended 30 June 2011**

		Consolidated		Council	
	Note	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Income					
Rates and charges	2	45,177	43,105	45,258	43,184
Statutory fees and fines	3	1,785	1,748	1,816	1,780
User fees	4	8,069	13,550	4,857	11,093
Contributions - cash	6	1,004	1,609	1,004	1,609
Contributions - non-monetary assets	6	2,400	1,036	2,400	1,036
Grants - recurrent	5	20,149	19,225	20,149	19,225
Grants - non-recurrent	5	8,331	2,621	8,331	2,524
Reimbursements	7	5,034	1,922	5,034	2,319
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(1,701)	443	(1,701)	443
Other Income	8	1,860	1,826	1,994	1,834
Total income		92,108	87,085	89,142	85,047
Expenses					
Employee benefits	9	(35,884)	(32,197)	(35,001)	(31,514)
Materials and services	10	(30,697)	(29,986)	(29,484)	(31,977)
Bad and doubtful debts	11	(151)	(24)	(151)	(24)
Depreciation and amortisation	12	(15,690)	(15,200)	(15,150)	(14,710)
Finance costs	13	(1,065)	(1,205)	(1,046)	(1,135)
Other expenses	14	(1,156)	(1,929)	(1,059)	(1,840)
Impairment of non financial asset		(7)	-	-	-
Total expenses		(84,650)	(80,541)	(81,891)	(81,200)
Surplus/(deficit)		7,458	6,544	7,251	3,847
Other comprehensive income					
Net financial asset revaluation increment/(decrement)	25	-	-	206	5,631
Net asset revaluation increment/(decrement)	25	(11,701)	22,292	(11,701)	22,292
Comprehensive result		(4,243)	28,836	(4,244)	31,770

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

Mildura Rural City Council
2010/2011 Financial Report

Balance Sheet
As at 30 June 2011

		Consolidated		Council	
Note		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Assets					
Current assets					
Cash and cash equivalents	15	6,157	10,339	5,632	9,863
Trade and other receivables	16	6,259	6,896	5,870	6,394
Inventories	17	860	798	860	798
Other assets	18	14,537	9,731	14,536	9,719
Total current assets		27,813	27,764	26,898	26,774
Non-current assets					
Trade and other receivables	16	-	-	2,500	2,500
Other assets	18	6,059	7,060	29,169	29,964
Property, infrastructure, plant and equipment	19	500,390	506,072	475,219	481,100
Intangible assets	20	2,529	3,661	2,496	3,621
Total non-current assets		508,978	516,793	509,384	517,185
Total assets		536,791	544,557	536,282	543,959
Liabilities					
Current liabilities					
Trade and other payables	21	5,761	6,899	5,536	6,593
Trust funds and deposits	22	842	990	842	990
Provisions	23	7,518	7,396	7,452	7,344
Interest-bearing loans and borrowings	24	1,533	1,482	1,471	1,430
Total current liabilities		15,654	16,767	15,301	16,357
Non-current liabilities					
Provisions	23	3,681	4,588	3,681	4,588
Interest-bearing loans and borrowings	24	13,971	15,474	13,815	15,285
Total non-current liabilities		17,652	20,062	17,496	19,873
Total liabilities		33,306	36,829	32,797	36,230
Net Assets		503,485	507,728	503,485	507,729
Equity					
Accumulated surplus		228,238	221,328	222,538	215,835
Reserves	25	275,247	286,400	280,947	291,894
Total Equity		503,485	507,728	503,485	507,729

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

Mildura Rural City Council
2010/2011 Financial Report

Statement of Changes in Equity
For the Year Ended 30 June 2011

Consolidated

	Note	Total 2011 \$'000	Accumulated Surplus 2011 \$'000	Asset Revaluation Reserve 2011 \$'000	Other Reserves 2011 \$'000
2011					
Balance at beginning of the financial year		507,728	221,328	272,516	13,884
Comprehensive result		(4,243)	7,458	(11,701)	-
Transfers to other reserves	25	-	13,940	-	(13,940)
Transfers from other reserves	25	-	(14,488)	-	14,488
Balance at end of the financial year		503,485	228,238	260,815	14,432

	Note	Total 2010 \$'000	Accumulated Surplus 2010 \$'000	Asset Revaluation Reserve 2010 \$'000	Other Reserves 2010 \$'000
2010					
Balance at beginning of the financial year		478,892	218,062	250,224	10,606
Comprehensive result		28,836	6,544	22,292	-
Transfers to other reserves	25	-	11,463	-	(11,463)
Transfers from other reserves	25	-	(14,741)	-	14,741
Balance at end of the financial year		507,728	221,328	272,516	13,884

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

Mildura Rural City Council
2010/2011 Financial Report

Statement of Changes in Equity
For the Year Ended 30 June 2011

Council			Asset	
	Note	Total	Revaluation	Other
		2011	Reserve	Reserves
		\$'000	2011	2011
		\$'000	\$'000	\$'000
2011				
Balance at beginning of the financial year		507,729	278,010	13,884
Comprehensive result		(4,244)	(11,495)	-
Transfers to other reserves	25	-	-	(13,940)
Transfers from other reserves	25	-	-	14,488
Balance at end of the financial year		503,485	266,515	14,432

			Asset	
	Note	Total	Revaluation	Other
		2010	Reserve	Reserves
		\$'000	2010	2010
		\$'000	\$'000	\$'000
2010				
Balance at beginning of the financial year		475,959	250,087	10,606
Comprehensive result		31,770	27,923	-
Transfers to other reserves	25	-	-	(11,463)
Transfers from other reserves	25	-	-	14,741
Balance at end of the financial year		507,729	278,010	13,884

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

*Mildura Rural City Council
2010/2011 Financial Report*

**Cash Flow Statement
For the Year Ended 30 June 2011**

		Consolidated		Council	
		2011	2010	2011	2010
		Inflows/	Inflows/	Inflows/	Inflows/
		(Outflows)	(Outflows)	(Outflows)	(Outflows)
	Note	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Rates		45,046	44,153	45,046	44,153
User charges and other fines (inclusive of GST)		17,573	22,753	13,825	20,039
Grants (inclusive of GST)		28,480	25,114	28,480	21,749
Interest		1,472	1,165	1,619	1,104
Other receipts (inclusive of GST)		-	150	-	-
Net GST refund/(payment)		(101)	-	-	-
Payments to suppliers (inclusive of GST)		(33,279)	(38,323)	(31,453)	(34,679)
Payments to employees (including redundancies)		(36,010)	(31,331)	(35,169)	(30,502)
Net cash provided by/(used in) operating activities	26	23,181	23,681	22,348	21,864
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	19	(21,871)	(26,286)	(21,130)	(22,360)
Proceeds from sale of property, infrastructure, plant and equipment		1,174	1,148	1,174	1,148
Payments for other financial assets		(3,999)	2,756	(3,999)	2,756
Loans and advances to community organisations		-	-	-	-
Repayment of loans and advances from community organisations		-	85	-	85
Net cash provided by/(used in) investing activities		(24,696)	(22,297)	(23,955)	(18,371)
Cash flows from financing activities					
Finance costs		(1,067)	(1,205)	(1,047)	(1,135)
Trust funds and deposits		(148)	142	(148)	142
Proceeds from interest bearing loans and borrowings		-	230	-	-
Repayment of interest bearing loans and borrowings		(1,452)	(1,381)	(1,429)	(1,360)
Net cash provided by/(used in) financing activities		(2,667)	(2,214)	(2,624)	(2,353)
Net increase/(decrease) in cash and cash equivalents		(4,182)	(830)	(4,231)	1,140
Cash and cash equivalents at the beginning of the financial year		10,339	11,169	9,863	8,723
Cash and cash equivalents at the end of the financial year	15	6,157	10,339	5,632	9,863

The above cash flow statement should be read with the accompanying notes.

**Mildura Rural City Council
2010/2011 Financial Report**

**Notes to the Financial Report
For the Year Ended 30 June 2011**

Introduction

- (a) The Mildura Rural City Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate.
The Council's main office is located at 108 - 116 Madden Avenue, Mildura.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

Council uses the following service providers:

External Auditor - Auditor-General of Victoria

Internal Auditor - Deloitte Touche Tohmatsu

Solicitors - Martin Irwin Richards of Mildura and Maddocks of Melbourne

Bankers - National Australia Bank Ltd; and

Council maintains the following website:

www.mildura.vic.gov.au.

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act* 1989, and the Local Government (Finance and Reporting) Regulations 2004.

*Mildura Rural City Council
2010/2011 Financial Report*

**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 1 Significant accounting policies

(a) Basis of accounting

This financial report has been prepared on the accrual and going concern bases.

This financial report has been prepared under the historical cost convention, except where specifically stated in note 1(h) and 1 (r).

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.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full.

The consolidated results in the financial report include all funds through which the Mildura Rural City Council controls resources to carry on its functions. In the process of reporting on the Mildura Rural City Council as a consolidated unit, all intra and inter entity balances and transactions have been eliminated.

Prior to 1 July 2008 the operations of Mildura airport were carried out by Mildura Rural City Council and the financial results of those operations were included as part of the financial report of Council. On 1 July 2008 the operations of Mildura Airport along with the associated assets and liabilities were transferred to a newly incorporated body – Mildura Airport Pty Ltd – which is a wholly owned subsidiary of Council. The assets and liabilities of Mildura Airport Pty Ltd and the results of its operations for the year then ended have been included in the consolidated financial report.

(b) Change in accounting policies

There has been no change in accounting policy.

*Mildura Rural City Council
2010/2011 Financial Report*

**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 1 Significant accounting policies (cont.)

(c) Revenue recognition

Rates, grants and contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User fees and fines

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

A provision for doubtful debts is recognised when collection in full is no longer probable.

*Mildura Rural City Council
2010/2011 Financial Report*

**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 1 Significant accounting policies (cont.)

(c) Revenue recognition (cont.)

Sale of property, plant and equipment, infrastructure

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

Rental

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

Interest

Interest is recognised progressively as it is earned.

Dividends

Dividend revenue is recognised when the Council's right to receive payment is established.

(d) Trade and other receivables and inventories

Trade and other receivables

A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

*Mildura Rural City Council
2010/2011 Financial Report*

**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 1 Significant accounting policies (cont.)

(e) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles

Buildings, land improvements, plant and equipment 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.

Artworks are not depreciated.

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

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	2010/2011
Airport runways	50 years
Bicycle paths	5 years
Buildings	60 years
Computer equipment	4 years
Drains	80 years
Footpaths	50 years
Heavy plant & equipment	5 - 12 years
Grader	10 years
Loader	7 years
Mowers	5 years
Rollers	12 years
Sweepers	7 years
Tractors	5 years
Trucks	6 years
Irrigation	20 years
Kerb & channelling	50 years
Landfill	30 years
Library books	7 years
Light plant & equipment	4 years
Motor vehicle - commercial	4 years
Motor vehicle - passenger	3 years
Office furniture	10 years
Playground equipment	10 years
Roads - Asphalt overlays	15 years
Roads - Base construction	50 years
Software	15 years

*Mildura Rural City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 1 Significant accounting policies (cont.)

(f) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(g) Borrowing costs

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

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

(h) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

*Mildura Rural City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 1 Significant accounting policies (cont.)

(h) Recognition and measurement of assets (cont.)

The following classes of assets have been recognised in note 19. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold \$'000
Airport runways	For each complete asset
Land	5,000
Land Under Roads	1
Buildings	10,000
Roads	For each complete road asset
Drains	10,000
Plant & equipment (including motor vehicles)	5,000
Outdoor Infrastructure	5,000
Furniture, Fixtures & Office Equipment - excluding computers	5,000
Computer Equipment	500
Artwork & Collections (including books & museum)	500
Library Books	In aggregate

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment (furniture and fitting, library books, capital works in progress and landfill) are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. 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.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

*Mildura Rural City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 1 Significant accounting policies (cont.)

(h) Recognition and measurement of assets (cont.)

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using current market values. Council does not recognise land under roads that it controlled prior to that period in the financial report.

(i) Cash and cash equivalents

For the purposes of the cash flow statement, 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.

(j) Investments

Investments, other than investments in associates, are measured at cost. The carrying value of Council's investment in the Mildura Airport Pty Ltd was initially measured at cost, and adjusted each balance date thereafter for changes in the Council's share (100%) of the net assets of the company. Gains or losses arising are recognised directly in equity through the Financial Assets Revaluation Reserve (note 25 (c)).

(k) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 22).

(l) Employee benefits

Wages and salaries

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

*Mildura Rural City Council
2010/2011 Financial Report*

**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 1 Significant accounting policies (cont.)

(l) Employee benefits (cont.)

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Classification of employee benefits

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 30.

Redundancy

Liabilities for redundancy benefits are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised with those employees affected that the terminations will be carried out.

*Mildura Rural City Council
2010/2011 Financial Report*

**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 1 Significant accounting policies (cont.)

(m) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter.

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

(n) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(o) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an 'as incurred' basis.

(p) Web site costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

*Mildura Rural City Council
2010/2011 Financial Report*

**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 1 Significant accounting policies (cont.)

(r) Impairment of assets

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

(s) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

Mildura Rural City Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(u) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and maybe applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government financial statements</i>
AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; * removing the tainting rules associated with held-to-maturity assets; * simplifying the requirements for embedded derivatives; * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and 	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments

Mildura Rural City Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(u) Pending Accounting Standards (cont.)

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government financial statements</i>
(Cont.)	<p>* reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:</p> <p>a. the objective of the entity's business model for managing the financial assets; and</p> <p>b. the characteristics of the contractual cash flows.</p>		
AASB 124: Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.

Mildura Rural City Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(u) Pending Accounting Standards (cont.)

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government financial statements</i>
AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	<p>This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB.</p> <p>The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.</p>	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council

Mildura Rural City Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Consolidated		Council	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000

Note 2 Rates and charges

The valuation base used to calculate general rates for 2010/2011 was \$6,185 million (2009/2010 \$6,216 million). The 2010/2011 rate in the dollar was \$0.005652 (2009/2010 \$0.005351).

General Rates	34,826	32,993	34,907	33,072
Cultural/Recreational Land	12	12	12	12
City Heart charge	462	454	462	454
Drainage maintenance & Infrastructure	2,707	2,601	2,707	2,601
Economic and Tourism Development charge	1,138	1,092	1,138	1,092
Garbage Charges	6,032	5,953	6,032	5,953
Total rates and charges	45,177	43,105	45,258	43,184

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value (CIV) of a property is the sum which land, if it were held for an estate in fee simple unencumbered by any lease, mortgage or other charge, might be expected to realise at the time of valuation if offered for sale on any reasonable terms and conditions which a genuine seller might in ordinary circumstances be expected to require.

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation was first applied in the rating year commencing 1 July 2010.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2008, and the valuation first applied to the rating period commencing 1 July 2008.

Note 3 Statutory fees and fines

Statutory Fees & Fines	1,785	1,748	1,816	1,780
Total statutory fees and fines	1,785	1,748	1,816	1,780

Note 4 User fees

Rent/lease fees	669	588	442	378
User Charges	5,524	8,216	2,539	5,969
Contract Works	1,580	4,410	1,580	4,410
Entrance Charges	152	203	152	203
Commission/Agency Fees	144	133	144	133
Total user fees	8,069	13,550	4,857	11,093

Mildura Rural City Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 5 Grants				
Grants were received in respect of the following :				
SUMMARY				
Recurrent				
Financial Management	11,633	10,614	11,633	10,614
Roads Construction & Maintenance	2,396	2,534	2,396	2,534
Community Care Services	3,775	3,641	3,775	3,641
Community Futures	615	405	615	405
Community GM	422	526	422	526
Corporate Administration	-	26	-	26
Development Services	83	73	83	73
Engineering Services	183	26	183	26
Leisure & Cultural Services	1,042	1,302	1,042	1,302
Other	-	78	-	78
Total recurrent	20,149	19,225	20,149	19,225
Non-recurrent				
Community Care Services	23	-	23	-
Community Futures	336	198	336	198
Community GM	10	-	10	-
Corporate Administration	2	19	2	19
Corporate GM	5,020	-	5,020	-
Development Services	25	170	25	170
Engineering Services	701	228	701	228
Leisure & Cultural Services	1,357	1,685	1,357	1,685
Other	857	321	857	224
Total non-recurrent	8,331	2,621	8,331	2,524
Conditions on grants				
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:				
Community Care Services	631	251	631	251
Community Futures	526	57	526	57
Community GM	36	-	36	-
Corporate GM	2,995	-	2,995	-
Development Services	20	7	20	7
Leisure & Cultural Services	541	363	541	363
Engineering Services	-	21	-	21
Other	-	2,328	-	328
Total	4,749	3,027	4,749	1,027

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 5 Grants (Cont.)				
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:				
Building & Environmental	13	-	13	-
Community Care Services	501	1,078	501	1,078
Community Futures	195	1,108	195	1,108
Development Services	120	-	120	-
Leisure & Cultural Services	441	1,182	441	1,182
Other	-	2,027	-	27
Primary Care Partnership	-	143	-	143
Total	1,270	5,538	1,270	3,538
Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	3,479	(2,511)	3,479	(2,511)
Note 6 Contributions				
(a) Cash				
Community Services	340	359	340	359
Developer Contributions	448	943	448	943
Other	216	307	216	307
Total	1,004	1,609	1,004	1,609
(b) Non-monetary assets				
Gifted assets	2,400	1,036	2,400	1,036
Total	2,400	1,036	2,400	1,036
Total contributions	3,404	2,645	3,404	2,645
Note 7 Reimbursements				
Community Services	2,187	291	2,187	291
Roads/Transport	147	136	147	136
Finance & Administration	1,098	975	1,098	975
Waste Management	274	152	274	152
Other	1,328	368	1,328	765
Total reimbursements	5,034	1,922	5,034	2,319

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 8 Other income				
Interest	981	984	1,128	1,039
Interest on rates	544	498	544	498
Sales	306	277	306	277
External Plant Hire	7	21	7	18
Other	22	46	9	2
Total other income	1,860	1,826	1,994	1,834
Note 9 Employee benefits				
Wages and salaries	31,919	29,479	31,102	28,858
Superannuation additional call	1,385	-	1,385	-
Superannuation	2,580	2,718	2,514	2,656
Total employee benefits	35,884	32,197	35,001	31,514
Note 10 Materials and services				
Plant Operating Costs (maintenance)	2,245	1,965	1,991	1,709
Materials & Supplies	2,820	6,074	2,774	6,030
Grants, Contributions & Donations	2,640	2,669	2,640	5,540
Utilities	3,175	2,977	3,029	2,871
Contract & Consultancy Payments	13,232	10,234	12,531	9,582
Office Expenses	2,774	2,923	2,721	2,890
Other	3,811	3,144	3,798	3,355
Total materials and services	30,697	29,986	29,484	31,977
Note 11 Bad and doubtful debts				
Other Debtors	151	24	151	24
Total bad and doubtful debts	151	24	151	24

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 12 Depreciation and amortisation				
<i>Property</i>				
Buildings	2,540	2,573	2,475	2,508
<i>Plant and Equipment</i>				
Plant and equipment	2,700	2,627	2,631	2,566
Plant and equipment (leased)	69	68	69	68
Furniture & fittings	349	391	349	391
Furniture & fittings (leased)	122	134	122	134
Library books	179	184	179	184
<i>Infrastructure</i>				
Roads	6,869	6,829	6,869	6,829
Drainage	692	666	692	666
Outdoor infrastructure	1,646	1,307	1,566	1,239
Landfill	125	125	125	125
Airport Runways	326	296	-	-
<i>Intangible assets</i>				
Software	73	-	73	-
Total depreciation and amortisation	15,690	15,200	15,150	14,710
Note 13 Finance costs				
Interest - Borrowings	1,048	1,144	1,029	1,074
Interest - Finance leases	17	61	17	61
Total finance costs	1,065	1,205	1,046	1,135
Note 14 Other expenses				
Auditors' remuneration	209	281	192	272
Councillors' allowances	239	208	239	208
Directors' Fees	80	80	-	-
Refunds	39	-	39	-
Rentals - Operating Leases	214	221	214	221
Other	375	1,139	375	1,139
Total other expenses	1,156	1,929	1,059	1,840

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 15 Cash and cash equivalents				
Cash on hand	16	18	11	11
Cash at bank	6,141	10,321	5,621	9,852
Total cash and cash equivalents	6,157	10,339	5,632	9,863

Users of the financial report should refer to note 29 for details of restrictions on cash assets and note 31 for details of existing Council commitments

Note 16 Trade and other receivables

Current

Rates debtors	3,571	3,359	3,571	3,359
Parking infringement debtors	612	486	612	486
Provision for doubtful debts - parking infringements	(455)	(351)	(455)	(351)
Other debtors	1,827	2,770	1,438	2,268
Provision for doubtful debts - other debtors	(92)	(111)	(92)	(111)
Accrued Income	796	743	796	743
Total	6,259	6,896	5,870	6,394

Non-current

Loan to Mildura Airport Pty Ltd	-	-	2,500	2,500
Total	-	-	2,500	2,500

Total trade and other receivables	6,259	6,896	8,370	8,894
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Note 17 Inventories

Inventories held for distribution	860	798	860	798
Total inventories	860	798	860	798

Mildura Rural City Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 18 Other assets				
(a) Prepayments				
<i>Current</i>				
Prepayments	537	731	536	719
Total prepayments	537	731	536	719
(b) Financial Assets				
<i>Current</i>				
Dollar Term Deposits	14,000	9,000	14,000	9,000
Total	14,000	9,000	14,000	9,000
<i>Non-current</i>				
Interest in Mildura Airport Pty Ltd	-	-	23,110	22,904
Term Deposits	-	1,000	-	1,000
Dollar Bonds	5,577	5,578	5,577	5,578
Floating Notes	482	482	482	482
Total	6,059	7,060	29,169	29,964
Total Financial Assets	20,059	16,060	43,169	38,964
All financial assets are presented in Australian dollars.				
Users of the financial report should refer to note 29 for details of restrictions on cash assets and note 31 for details of existing Council commitments				
(c) Other Assets				
Current	14,537	9,731	14,536	9,719
Non-current	6,059	7,060	29,169	29,964
Total other assets	20,596	16,791	43,705	39,683

Mildura Rural City Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 19 Property, infrastructure, plant and equipment				
Summary				
at fair value	1,534	-	1,534	-
at cost	119,929	107,576	93,517	81,902
less: accumulated depreciation	(22,480)	(17,702)	(21,239)	(17,000)
Total at cost	98,983	89,874	73,812	64,902
leased	1,812	1,812	1,812	1,812
less: accumulated depreciation	(1,378)	(1,187)	(1,378)	(1,187)
Total leased	434	625	434	625
at valuation 31/12/02	30,804	30,804	30,804	30,804
less: accumulated depreciation	(12,316)	(11,711)	(12,316)	(11,711)
at valuation 30/06/04	13,610	13,610	13,610	13,610
less: accumulated depreciation	(9,818)	(9,941)	(9,818)	(9,941)
at valuation 30/06/07	-	32,755	-	32,755
at valuation 30/06/08	-	1,422	-	1,422
at valuation 30/06/09	188,089	193,720	188,089	193,720
less: accumulated depreciation	(75,941)	(78,421)	(75,941)	(78,421)
at valuation 30/06/10	-	413,206	-	413,206
less: accumulated depreciation	-	(169,871)	-	(169,871)
at valuation 30/06/11	453,355	-	453,355	-
less: accumulated depreciation	(186,810)	-	(186,810)	-
Total at valuation	400,973	415,573	400,973	415,573
Total property, infrastructure, plant and equipment	500,390	506,072	475,219	481,100

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Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
Note 19 Property, infrastructure, plant and equipment (cont.)	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
<i>Property</i>				
<i>Land</i>				
land - at fair value	527	-	527	-
land - at valuation 30/06/09 (vii)	42,582	42,582	42,582	42,582
	43,109	42,582	43,109	42,582
<i>Land under roads</i>				
land under roads - at fair value	380	-	380	-
land under roads - at valuation 30/06/09 (vii)	1,151	1,151	1,151	1,151
	1,531	1,151	1,531	1,151
<i>Buildings</i>				
buildings - at cost	9,982	7,425	5,788	3,269
less: accumulated depreciation	(1,079)	(95)	(919)	-
	8,903	7,330	4,869	3,269
buildings - at valuation 30/06/09 (vii)	144,356	149,987	144,356	149,987
less: accumulated depreciation	(75,941)	(78,421)	(75,941)	(78,421)
	68,415	71,566	68,415	71,566
Total	77,318	78,896	73,284	74,835
<i>Total property</i>	121,958	122,629	117,924	118,568

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Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 19 Property, infrastructure, plant and equipment (cont.)				
Plant and equipment				
Plant and equipment				
plant and equipment - at cost	24,373	23,536	23,176	22,406
less: accumulated depreciation	(12,122)	(11,236)	(11,964)	(11,145)
	12,251	12,300	11,212	11,261
plant and equipment - leased	572	572	572	572
less: accumulated depreciation	(209)	(140)	(209)	(140)
	363	432	363	432
Total	12,614	12,732	11,575	11,693
Furniture and fittings				
furniture and fittings - at cost	3,020	2,627	3,020	2,627
less: accumulated depreciation	(2,123)	(1,774)	(2,123)	(1,774)
	897	853	897	853
furniture and fittings - leased	1,240	1,240	1,240	1,240
less: accumulated depreciation	(1,169)	(1,047)	(1,169)	(1,047)
	71	193	71	193
Total	968	1,046	968	1,046
Artworks				
artworks - cost	50	121	50	121
artworks - at valuation 30/06/11 (ii)	27,379	-	27,379	-
artworks - at valuation 30/06/07 (v)	-	32,755	-	32,755
artworks - at valuation 30/06/08 (i)	-	1,422	-	1,422
Total	27,429	34,298	27,429	34,298
Library books				
bookstock - at cost	2,403	2,172	2,403	2,172
less: accumulated depreciation	(1,457)	(1,278)	(1,457)	(1,278)
Total	946	894	946	894
Software				
software - at cost	1,300	-	1,300	-
less: accumulated depreciation	(73)	-	(73)	-
Total	1,227	-	1,227	-
Total plant and equipment	43,184	48,970	42,145	47,931

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Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 19 Property, infrastructure, plant and equipment (cont.)				
Infrastructure				
Roads				
roads - at valuation 30/06/11 (vi)	425,976	-	425,976	-
roads - at valuation 30/06/10 (viii)	-	413,206	-	413,206
less: accumulated depreciation	(186,810)	(169,871)	(186,810)	(169,871)
Total	239,166	243,335	239,166	243,335
Drainage				
drainage - at fair value	627	-	627	-
drainage - at cost	24,889	23,723	24,889	23,723
less: accumulated depreciation	(509)	(422)	(509)	(422)
	25,007	23,301	25,007	23,301
drainage - at valuation 31/12/02 (iii)	30,804	30,804	30,804	30,804
less: accumulated depreciation	(12,316)	(11,711)	(12,316)	(11,711)
	18,488	19,093	18,488	19,093
Total	43,495	42,394	43,495	42,394
Landfill				
landfill - at cost	2,304	3,113	2,304	3,113
less: accumulated depreciation	(936)	(811)	(936)	(811)
Total	1,368	2,302	1,368	2,302
Airport runway				
airport runway - at cost	17,786	17,786	-	-
less: accumulated depreciation	(740)	(414)	-	-
Total	17,046	17,372	-	-

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	Consolidated		Council	
Note 19 Property, infrastructure, plant and equipment (cont.)	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
<i>Infrastructure (cont.)</i>				
Outdoor infrastructure				
outdoor infrastructure - at cost	20,062	17,202	17,122	15,205
less: accumulated depreciation	(3,441)	(1,672)	(3,258)	(1,570)
	16,621	15,530	13,864	13,635
outdoor infrastructure - at valuation 30/06/04 (iv)	13,610	13,610	13,610	13,610
less: accumulated depreciation	(9,818)	(9,941)	(9,818)	(9,941)
	3,792	3,669	3,792	3,669
Total	20,413	19,199	17,656	17,304
Total infrastructure	321,488	324,602	301,685	305,335
<i>Capital works in progress - roads/outdoor infrastructure/furniture & fittings/airport runways</i>				
capital works in progress - at cost	13,760	9,871	13,465	9,266
Total capital works in progress	13,760	9,871	13,465	9,266
Total property, infrastructure, plant and equipment	500,390	506,072	475,219	481,100

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**Notes to the Financial Report
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Note 19 Property, infrastructure, plant and equipment (cont.)

(i) A selection of major works were valued at market valuation (as at 30 June 2008) by Mr Paul McIntyre, Approved Valuer for the Australian Government's Cultural Gifts Program. This selection of works were the only works deemed to have had a material change in value since last valuation.

(ii) Artworks were valued at market valuation (as at 31 December 2010) by Mr Paul McIntyre, Approved Valuer for the Australian Government's Cultural Gifts Program.

(iii) Valuation of these assets were completed by Mr Wayne Eddy BEng, (Council Officer), (as at 31 December 2002), in accordance with the method set out in point (iv).

(iv) Valuation of these assets were completed by Mr Wayne Eddy BEng, (Council Officer), (as at 30 June 2004). Council's policy is that such infrastructure, whether acquired or constructed, are initially brought to account at cost and are periodically revalued to fair value. The basis of valuation is the estimated cost of construction or acquisition of replacement assets, less an allowance for accumulated depreciation, as at the date of valuation.

(v) Artworks were valued at market valuation (as at 31 December 2007) by Mr Paul McIntyre, Approved Valuer for the Australian Government's Cultural Gifts Program.

(vi) Valuation of these assets were completed by Mrs Kylie Sergi, B. Apps Sci (CS), (Council Officer), (as at 30 June 2011). Council's policy is that such infrastructure, whether acquired or constructed, are initially brought to account at cost and are periodically revalued to fair value. The basis of valuation is the estimated cost of construction or acquisition of replacement assets, less an allowance for accumulated depreciation, as at the date of valuation.

(vii) Valuation of these assets were completed by Mr Stephen Lush AAPI, Certified Practicing Valuer, recognised valuer, (Council Officer), (as at 30 June 2009), using current market values.

(viii) Valuation of these assets were completed by Mrs Kylie Sergi, B. Apps Sci (CS), (Council Officer), (as at 30 June 2010). Council's policy is that such infrastructure, whether acquired or constructed, are initially brought to account at cost and are periodically revalued to fair value. The basis of valuation is the estimated cost of construction or acquisition of replacement assets, less an allowance for accumulated depreciation, as at the date of valuation.

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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 19 Property, infrastructure, plant and equipment (cont.)

Consolidated

	Balance at beginning of financial year	Acquisition of assets	Contributions by developers (Note 6)	Revaluation increments/ (decrements) (Note 25)	Depreciation/ amortisation expense (Note 12)	Disposals	Transfer between class	Transfers from Provisions	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011									
Property									
land	42,582	104	187	-	-	-	236	-	43,109
land under roads	1,151	-	380	-	-	-	-	-	1,531
Total land	43,733	104	567	-	-	-	236	-	44,640
buildings	78,896	1,935	-	-	(2,540)	(1,595)	622	-	77,318
Total buildings	78,896	1,935	-	-	(2,540)	(1,595)	622	-	77,318
	122,629	2,039	567	-	(2,540)	(1,595)	858	-	121,958
Plant and equipment									
plant and equipment	12,300	3,317	-	-	(2,700)	(674)	8	-	12,251
plant and equipment (leased)	432	-	-	-	(69)	-	-	-	363
furniture and fittings	853	342	-	-	(349)	-	51	-	897
furniture and fittings (leased)	193	-	-	-	(122)	-	-	-	71
artwork	34,298	50	-	(6,919)	-	-	-	-	27,429
library books	894	231	-	-	(179)	-	-	-	946
software	-	11	-	-	(73)	-	1,289	-	1,227
Total plant and equipment	48,970	3,951	-	(6,919)	(3,492)	(674)	1,348	-	43,184
Infrastructure									
roads	243,335	4,768	1,207	(3,803)	(6,869)	(463)	991	-	239,166
drainage	42,394	765	627	-	(692)	-	401	-	43,495
landfill	2,302	-	-	-	(125)	-	-	(809)	1,368
airport runway	17,372	-	-	-	(326)	-	-	-	17,046
outdoor infrastructure	19,199	1,427	-	-	(1,646)	-	1,433	-	20,413
Total infrastructure	324,602	6,960	1,834	(3,803)	(9,658)	(463)	2,825	(809)	321,488
Works in progress									
works in progress	9,871	8,921	(1)	-	-	-	(5,031)	-	13,760
Total works in progress	9,871	8,921	(1)	-	-	-	(5,031)	-	13,760
Total property, plant and equipment, infrastructure	506,072	21,871	2,400	(10,722)	(15,690)	(2,732)	-	(809)	500,390

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**Notes to the Financial Report
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Note 19 Property, infrastructure, plant and equipment (cont.)

Council

	Balance at beginning of financial year	Acquisition of assets	Contributions by developers (Note 6)	Revaluation increments/ decrements (Note 25)	Depreciation/ amortisation expense (Note 12)	Disposals	Transfer between class	Transfers from Provisions	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011									
Property									
land	42,582	104	187	-	-	-	236	-	43,109
land under roads	1,151	-	380	-	-	-	-	-	1,531
Total land	43,733	104	567	-	-	-	236	-	44,640
buildings	74,835	1,935	-	-	(2,475)	(1,595)	584	-	73,284
Total buildings	74,835	1,935	-	-	(2,475)	(1,595)	584	-	73,284
Total property	118,568	2,039	567	-	(2,475)	(1,595)	820	-	117,924
Plant and equipment									
plant and equipment	11,261	3,256	-	-	(2,631)	(674)	-	-	11,212
plant and equipment (leased)	432	-	-	-	(69)	-	-	-	363
furniture and fittings	853	342	-	-	(349)	-	51	-	897
furniture and fittings (leased)	193	-	-	-	(122)	-	-	-	71
artwork	34,298	50	-	(6,919)	-	-	-	-	27,429
library books	894	231	-	-	(179)	-	-	-	946
software	-	11	-	-	(73)	-	1,289	-	1,227
Total plant and equipment	47,931	3,890	-	(6,919)	(3,423)	(674)	1,340	-	42,145
Infrastructure									
roads	243,335	4,768	1,207	(3,803)	(6,869)	(463)	991	-	239,166
drainage	42,394	765	627	-	(692)	-	401	-	43,495
landfill	2,302	-	-	-	(125)	-	-	(809)	1,368
outdoor infrastructure	17,304	1,390	-	-	(1,566)	-	528	-	17,656
Total infrastructure	305,335	6,923	1,834	(3,803)	(9,252)	(463)	1,920	(809)	301,685
Works in progress									
works in progress	9,266	8,278	(1)	-	-	2	(4,080)	-	13,465
Total works in progress	9,266	8,278	(1)	-	-	2	(4,080)	-	13,465
Total property, plant and equipment, infrastructure	481,100	21,130	2,400	(10,722)	(15,150)	(2,730)	-	(809)	475,219

Mildura Rural City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 19 Property, infrastructure, plant and equipment (cont.)

Consolidated

	Balance at beginning of financial year	Acquisition of assets	Contributions by developers (Note 6)	Revaluation increments/ (decrements) (Note 25)	Depreciation/ amortisation expense (Note 12)	Disposals	Transfer between class	Transfers from provisions	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2010									
Property									
land	41,678	516	564	-	-	(176)	-	-	42,582
land under roads	1,151	-	-	-	-	-	-	-	1,151
Total land	42,829	516	564	-	-	(176)	-	-	43,733
buildings	77,661	1,830	-	-	(2,573)	-	1,978	-	78,896
Total buildings	77,661	1,830	-	-	(2,573)	-	1,978	-	78,896
Total property	120,490	2,346	564	-	(2,573)	(176)	1,978	-	122,629
Plant and equipment									
plant and equipment	11,393	3,962	-	-	(2,627)	(529)	101	-	12,300
plant and equipment (leased)	500	-	-	-	(68)	-	-	-	432
furniture and fittings	1,096	136	-	-	(391)	-	12	-	853
furniture and fittings (leased)	327	-	-	-	(134)	-	-	-	193
artwork	34,199	83	-	-	-	-	16	-	34,298
library books	833	208	-	-	(184)	-	37	-	894
Total plant and equipment	48,348	4,389	-	-	(3,404)	(529)	166	-	48,970
Infrastructure									
roads	221,291	5,923	-	22,292	(6,829)	-	658	-	243,335
drainage	39,642	843	259	-	(666)	-	2,316	-	42,394
landfill	2,427	-	-	-	(125)	-	-	-	2,302
airport runway	10,581	-	-	-	(296)	-	7,087	-	17,372
outdoor infrastructure	13,347	3,745	40	-	(1,307)	-	3,374	-	19,199
Total infrastructure	287,288	10,511	299	22,292	(9,223)	-	13,435	-	324,602
Works in progress									
works in progress	16,410	9,040	-	-	-	-	(15,579)	-	9,871
Total works in progress	16,410	9,040	-	-	-	-	(15,579)	-	9,871
Total property, plant and equipment, infrastructure	472,536	26,286	863	22,292	(15,200)	(705)	-	-	506,072

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**Notes to the Financial Report
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Note 19 Property, infrastructure, plant and equipment (cont.)

Council

	Balance at beginning of financial year	Acquisition of assets	Contributions by developers (Note 6)	Revaluation increments/ decrements (Note 25)	Depreciation/ amortisation expense (Note 12)	Disposals	Transfer between class	Transfers from provisions	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2010									
Property									
land	41,678	516	564	-	-	(176)	-	-	42,582
land under roads	1,151	-	-	-	-	-	-	-	1,151
Total land	42,829	516	564	-	-	(176)	-	-	43,733
buildings	74,073	1,830	-	-	(2,508)	-	1,440	-	74,835
Total buildings	74,073	1,830	-	-	(2,508)	-	1,440	-	74,835
Total property	116,902	2,346	564	-	(2,508)	(176)	1,440	-	118,568
Plant and equipment									
plant and equipment	10,343	3,912	-	-	(2,566)	(529)	101	-	11,261
plant and equipment (leased)	500	-	-	-	(68)	-	-	-	432
furniture and fittings	1,096	136	-	-	(391)	-	12	-	853
furniture and fittings (leased)	327	-	-	-	(134)	-	-	-	193
artwork	34,199	83	-	-	-	-	16	-	34,298
library books	833	208	-	-	(184)	-	37	-	894
Total plant and equipment	47,298	4,339	-	-	(3,343)	(529)	166	-	47,931
Infrastructure									
roads	221,291	5,923	-	22,292	(6,829)	-	658	-	243,335
drainage	39,642	843	259	-	(666)	-	2,316	-	42,394
landfill	2,427	-	-	-	(125)	-	-	-	2,302
airport runway	-	-	-	-	-	-	-	-	-
outdoor infrastructure	11,442	3,746	40	-	(1,239)	-	3,315	-	17,304
Total infrastructure	274,802	10,512	299	22,292	(8,859)	-	6,289	-	305,335
Works in progress									
works in progress	11,998	5,163	-	-	-	-	(7,895)	-	9,266
Total works in progress	11,998	5,163	-	-	-	-	(7,895)	-	9,266
Total property, plant and equipment, infrastructure	451,000	22,360	863	22,292	(14,710)	(705)	-	-	481,100

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Notes to the Financial Report
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	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 20 Intangible assets				
Water Rights - at valuation 30/06/08 (i)	-	3,661	-	3,621
Water Rights - at valuation 30/06/11 (ii)	2,529	-	2,496	-
Total intangible assets	2,529	3,661	2,496	3,621

(i) Valuation of these assets were completed by Mr Stephen Lush AAPI, Certified Practicing Valuer, recognised valuer, (Council Officer), (as at 30 June 2008), using current market values.

(ii) Valuation of these assets were completed by Mr Con Demis AAPI, Certified Practicing Valuer, recognised valuer, (Council Officer), (as at 30 June 2011), using current market values.

Gross carrying amount

Balance at 1 July 2010	3,661	3,661	3,621	3,621
Additions	-	-	-	-
Revaluation increment/(decrement)	(1,132)	-	(1,125)	-
Balance at 30 June 2011	2,529	3,661	2,496	3,621

Note 21 Trade and other payables

Trade payables	4,272	5,006	4,100	4,766
Accrued expenses	1,489	1,893	1,436	1,827
Total trade and other payables	5,761	6,899	5,536	6,593

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Notes to the Financial Report
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Consolidated		Council	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000

Note 22 Trust funds and deposits

Refundable contract deposits	209	111	209	111
Refundable civic facilities deposits	1	9	1	9
Retention amounts	151	428	151	428
Other refundable deposits	481	442	481	442
Total trust funds and deposits	842	990	842	990

Nature and purpose of trusts and deposits

Name of trust or deposit

Security Deposits	Deposits levied against private contractors where damage could occur to a Council owned asset.
Facility Hire Bonds	Bonds collected from persons for a booking for the use of a facility which is owned by Council.
Footpath Retention	Retentions collected from private contractors where damage may occur to a Council owned footpath.
Other Retention Funds	Retentions collected and held from private contractors who are involved in contracted works or services for the Council. These retentions are held until the works and services are completed satisfactorily.
Planning Bonds	Bonds collected from developers for statement of compliance
Trust Funds	Funds held in trust for private drainage works.
Purchase Recoups	Monies collected on behalf of other entities for payment of
Building Permit Levies	Levies collected on behalf of the Building Commission.
EPA Levy	Levies collected on behalf of the Environment Protection
Roden White Kilburn Trust	Monies trusted to Rio Vista to enable live performances to take place in the Rio Vista building.
Art Purchase Fund	Monies donated to the Mildura Arts Centre for the purchase of art works.
Rio Vista Restoration Fund	Heritage funding received for restoration projects to the Rio Vista building.

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Note 23 Provisions

Consolidated

	Annual leave	Long service leave	Other entitlements	Redundancy	Landfill rehabilitation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011						
Balance at beginning of the financial year	2,999	4,471	520	293	3,701	11,984
Additional provisions	2,612	804	1,020	-	-	4,436
Rehabilitation works	-	-	-	-	(94)	(94)
Amounts used	(2,366)	(625)	(1,034)	(293)	(809)	(5,127)
Balance at the end of the financial year	3,245	4,650	506	-	2,798	11,199
2010						
Balance at beginning of the financial year	2,653	4,941	486	-	3,701	11,781
Additional provisions	2,377	139	1,005	293	-	3,814
Amounts used	(2,031)	(609)	(971)	-	-	(3,611)
Balance at the end of the financial year	2,999	4,471	520	293	3,701	11,984

Council

	Annual leave	Long service leave	Other entitlements	Redundancy	Landfill rehabilitation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011						
Balance at beginning of the financial year	2,947	4,471	520	293	3,701	11,932
Additional provisions	2,598	804	1,020	-	-	4,422
Rehabilitation works	-	-	-	-	(94)	(94)
Amounts used	(2,366)	(625)	(1,034)	(293)	(809)	(5,127)
Balance at the end of the financial year	3,179	4,650	506	-	2,798	11,133
2010						
Balance at beginning of the financial year	2,617	4,941	486	-	3,701	11,745
Additional provisions	2,361	139	1,005	293	-	3,798
Amounts used	(2,031)	(609)	(971)	-	-	(3,611)
Balance at the end of the financial year	2,947	4,471	520	293	3,701	11,932

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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 23 Provisions (cont.)

	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
(a) Employee benefits				
Current (i)				
Annual leave	3,245	2,999	3,179	2,947
Long service leave	3,767	3,584	3,767	3,584
Redundancy	-	293	-	293
Other	506	520	506	520
Total	7,518	7,396	7,452	7,344
Non-current (ii)				
Long service leave	883	887	883	887
Total	883	887	883	887
Aggregate carrying amount of employee benefits:				
Current	7,518	7,396	7,452	7,344
Non-current	883	887	883	887
Total	8,401	8,283	8,335	8,231
Weighted average increase in employee costs	4.60%	4.48%	4.60%	4.48%
Weighted average discount rates	5.28%	5.16%	5.28%	5.16%
Weighted average settlement period	12	12	12	12
(i) Current				
All annual leave and the long service leave entitlements representing 10 or more years of continuous service				
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	3,751	3,812	3,685	3,760
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	3,767	3,584	3,767	3,584
	7,518	7,396	7,452	7,344
(ii) Non-current				
Long service leave representing less than 10 years of continuous service measured at present	883	887	883	887
Total employee benefits	8,401	8,283	8,335	8,231
(b) Land fill restoration				
Under the Environmental Protection Act Council is obligated to restore the Mildura Landfill site to a particular standard. Current projections indicate that the Mildura Landfill site will cease operation in 2054 and restoration work is expected to commence shortly thereafter. The forecast life of the Mildura Landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.				
Non-current				
Land fill restoration	2,798	3,701	2,798	3,701
Total land fill restoration	2,798	3,701	2,798	3,701
(c) Provisions				
Current	7,518	7,396	7,452	7,344
Non-current	3,681	4,588	3,681	4,588
Total provisions	11,199	11,984	11,133	11,932

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**Notes to the Financial Report
For the Year Ended 30 June 2011**

	Consolidated		Council	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 24 Interest-bearing loans and borrowings				
Current				
Borrowings - secured	1,283	1,251	1,283	1,199
	1,283	1,251	1,283	1,199
Non-current				
Borrowings - secured	13,622	15,093	13,622	14,904
	13,622	15,093	13,622	14,904
Total interest-bearing loans and borrowings	14,905	16,344	14,905	16,103
The maturity profile for Council's borrowings is:				
Loans - Security				
Not later than one year	1,283	1,220	1,283	1,199
Later than one year and not later than five years	6,370	6,786	6,370	6,566
Later than five years	7,252	8,338	7,252	8,338
Total	14,905	16,344	14,905	16,103
Finance leases				
Council had the following obligations under finance leases for the lease of equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):				
Not later than one year	267	270	205	270
Later than one year and not later than five years	366	414	210	414
Later than five years	-	-	-	-
Minimum lease payments	633	684	415	684
Less: Future finance charges	34	72	34	72
Total	599	612	381	612
Current				
Leases	250	231	188	231
	250	231	188	231
Non-current				
Leases	349	381	193	381
	349	381	193	381
Total finance leases	599	612	381	612
Aggregate carrying amount of interest-bearing loans and borrowings:				
Current	1,533	1,482	1,471	1,430
Non-current	13,971	15,474	13,815	15,285
Total interest-bearing loans and borrowings	15,504	16,956	15,286	16,715

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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 25 Reserves

Consolidated

	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
(a) Asset revaluation surplus	\$'000	\$'000	\$'000	\$'000
2011				
Property				
Land	13,330	-	-	13,330
Buildings	45,072	-	-	45,072
	58,402	-	-	58,402
Plant and Equipment				
Artwork	21,486	-	(6,919)	14,567
	21,486	-	(6,919)	14,567
Infrastructure				
Roads	176,423	7,807	(11,610)	172,620
Drains	3,030	-	-	3,030
Outdoor Infrastructure	2,072	-	-	2,072
Airport Runway	9,594	-	-	9,594
Water Rights	1,509	-	(979)	530
	192,628	7,807	(12,589)	187,846
Total asset revaluation surplus	272,516	7,807	(19,508)	260,815
2010				
Property				
Land	13,330	-	-	13,330
Buildings	45,072	-	-	45,072
	58,402	-	-	58,402
Plant and Equipment				
Artwork	21,486	-	-	21,486
	21,486	-	-	21,486
Infrastructure				
Roads	154,131	22,292	-	176,423
Drains	3,030	-	-	3,030
Outdoor Infrastructure	2,072	-	-	2,072
Airport Runway	9,594	-	-	9,594
Water Rights	1,509	-	-	1,509
	170,336	22,292	-	192,628
Total asset revaluation surplus	250,224	22,292	-	272,516

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 25 Reserves (cont.)

Consolidated

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other Reserves	\$'000	\$'000	\$'000	\$'000
2011				
<i>Non Discretionary Reserves</i>				
Apex Park Reserve	367	89	(7)	449
Car Parking	30	1	-	31
Drainage	482	19	-	501
Resort/Recreation/Open Space	93	4	-	97
Naturestrips & Trees	15	4	-	19
Developer Contribution Reserve	1,332	428	(1,215)	545
Total	2,319	545	(1,222)	1,642
<i>Discretionary Reserves</i>				
Asset Renewal Reserve	560	15	(184)	391
Drainage Maintenance & Infrastructure	2,997	2,870	(1,628)	4,239
Plant Replacement Reserve	558	3,194	(3,256)	496
Tip Redevelopment	5,088	6,946	(6,208)	5,826
Street Light Pole	5	2	-	7
Artwork Acquisition Reserve	26	32	(15)	43
Primary Care Partnership Reserve	443	532	(685)	290
Landfill Rehabilitation Reserve	623	193	(82)	734
Family Day Care Reserve	414	-	(414)	-
Small Towns Development Reserve	654	155	(68)	741
Risk Management	197	4	(178)	23
Total	11,565	13,943	(12,718)	12,790
Total other reserves	13,884	14,488	(13,940)	14,432

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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 25 Reserves (cont.)

Consolidated

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other Reserves (cont.)	\$'000	\$'000	\$'000	\$'000
2010				
<i>Non Discretionary Reserves</i>				
Apex Park Reserve	323	88	(44)	367
Car Parking	29	1	-	30
Drainage	574	36	(128)	482
Resort/Recreation/Open Space	40	53	-	93
Naturestrips & Trees	14	1	-	15
Developer Contribution Reserve	867	934	(469)	1,332
Total	1,847	1,113	(641)	2,319
<i>Discretionary Reserves</i>				
Asset Renewal Reserve	634	89	(163)	560
Drainage Maintenance & Infrastructure	1,752	2,722	(1,477)	2,997
Plant Replacement Reserve	430	3,775	(3,647)	558
Tip Redevelopment	3,355	6,461	(4,728)	5,088
Airport Operations	146	-	(146)	-
Street Light Pole	6	-	(1)	5
Mildura Development Corporation Reserve	493	-	(493)	-
Artwork Acquisition Reserve	25	1	-	26
Primary Care Partnership Reserve	478	17	(52)	443
Landfill Rehabilitation Reserve	446	190	(13)	623
Family Day Care Reserve	347	86	(19)	414
Small Towns Development Reserve	458	279	(83)	654
Risk Management	189	8	-	197
Total	8,759	13,628	(10,822)	11,565
Total other reserves	10,606	14,741	(11,463)	13,884

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 25 Reserves (cont.)

Council

	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
(a) Asset revaluation surplus	\$'000	\$'000	\$'000	\$'000
2011				
Property				
Land	13,330	-	-	13,330
Buildings	44,935	-	-	44,935
	58,265	-	-	58,265
Plant and Equipment				
Artwork	21,486	-	(6,919)	14,567
	21,486	-	(6,919)	14,567
Infrastructure				
Roads	176,423	7,807	(11,610)	172,620
Drains	3,030	-	-	3,030
Outdoor Infrastructure	2,072	-	-	2,072
Airport Runway	9,594	-	-	9,594
Water Rights	1,509	-	(979)	530
	192,628	7,807	(12,589)	187,846
Total asset revaluation surplus	272,379	7,807	(19,508)	260,678
2010				
Property				
Land	13,330	-	-	13,330
Buildings	44,935	-	-	44,935
	58,265	-	-	58,265
Plant and Equipment				
Artwork	21,486	-	-	21,486
	21,486	-	-	21,486
Infrastructure				
Roads	154,131	22,292	-	176,423
Drains	3,030	-	-	3,030
Outdoor Infrastructure	2,072	-	-	2,072
Airport Runway	9,594	-	-	9,594
Water Rights	1,509	-	-	1,509
	170,336	22,292	-	192,628
Total asset revaluation surplus	250,087	22,292	-	272,379

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 25 Reserves (cont.)

Council	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000	\$'000
2011				
<i>Non Discretionary Reserves</i>				
Apex Park Reserve	367	89	(7)	449
Car Parking	30	1	-	31
Drainage	482	19	-	501
Resort/Recreation/Open Space	93	4	-	97
Naturestrips & Trees	15	4	-	19
Developer Contribution Reserve	1,332	428	(1,215)	545
Total	2,319	545	(1,222)	1,642
<i>Discretionary Reserves</i>				
Asset Renewal Reserve	560	15	(184)	391
Drainage Maintenance & Infrastructure	2,997	2,870	(1,628)	4,239
Plant Replacement Reserve	558	3,194	(3,256)	496
Tip Redevelopment	5,088	6,946	(6,208)	5,826
Street Light Pole	5	2	-	7
Artwork Acquisition Reserve	26	32	(15)	43
Primary Care Partnership Reserve	443	532	(685)	290
Landfill Rehabilitation Reserve	623	193	(82)	734
Family Day Care Reserve	414	-	(414)	-
Small Towns Development Reserve	654	155	(68)	741
Risk Management	197	4	(178)	23
Total	11,565	13,943	(12,718)	12,790
Total other reserves	13,884	14,488	(13,940)	14,432

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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 25 Reserves (cont.)

Council	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves (cont.)	\$'000	\$'000	\$'000	\$'000
2010				
<i>Non Discretionary Reserves</i>				
Apex Park Reserve	323	88	(44)	367
Car Parking	29	1	-	30
Drainage	574	36	(128)	482
Resort/Recreation/Open Space	40	53	-	93
Naturestrips & Trees	14	1	-	15
Developer Contribution Reserve	867	934	(469)	1,332
Total	1,847	1,113	(641)	2,319
<i>Discretionary Reserves</i>				
Asset Renewal Reserve	634	89	(163)	560
Drainage Maintenance & Infrastructure	1,752	2,722	(1,477)	2,997
Plant Replacement Reserve	430	3,775	(3,647)	558
Tip Redevelopment	3,355	6,461	(4,728)	5,088
Airport Operations	146	-	(146)	-
Street Light Pole	6	-	(1)	5
Mildura Development Corporation Reserve	493	-	(493)	-
Artwork Acquisition Reserve	25	1	-	26
Primary Care Partnership Reserve	478	17	(52)	443
Landfill Rehabilitation Reserve	446	190	(13)	623
Family Day Care Reserve	347	86	(19)	414
Small Towns Development Reserve	458	279	(83)	654
Risk Management	189	8	-	197
Total	8,759	13,628	(10,822)	11,565
Total other reserves	10,606	14,741	(11,463)	13,884

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 25 Reserves (cont.)

Name of Reserve	Nature & Purpose
Non Discretionary Reserves	
Apex Park Reserve	Set up under a Committee of Management agreement with N.R.E., where surplus funds are to be set aside for improvements to the park lands.
Car Parking Reserve	Statutory contributions under development plans to be used for the advancement of car parking facilities within the municipality.
Drainage Reserve	Developer contributions and E.P.A. grant, to be used for drainage studies.
Resort/Recreation/Open Space Reserve	Statutory developer contributions to be used for parks development.
Nature Strips & Trees Reserve	Statutory developer contributions to be spent on street beautification.
Developer Contribution Reserve	Statutory developer contributions to be used for infrastructure asset categories which do not have a dedicated reserve above.
Discretionary Reserves	
Asset Renewal	Established in order to take advantage of any possible matching funding, by way of government grants, for renewal of Council assets.
Drainage Maintenance & Infrastructure Reserve	Set up to establish funds for major capital works and maintenance to drainage works in the Mildura Rural City Council area.
Plant Replacement Reserve	Surplus on plant operations, to be used for new and replacement plant.
Tip Redevelopment Reserve	Surplus on waste management operations, to be used for landfill reinstatement and purchase of new landfill sites.
Airport Operations Reserve	Surplus on airport operations, to be used in the future development of the airport.
Street Light Pole Reserve	Developer contributions for replacement of specialised street lighting poles in various subdivisions.
Mildura Development Corporation Reserve	A reserve created to recognise the contribution made by Sunraysia Economic Development Board to Council upon creation of a Section 86 special committee of management.
Artwork Acquisition Reserve	A reserve created to account for any annual unspent capital works expenditure allocation towards the restoration and expansion of Council's permanent artwork collection.
Landfill Rehabilitation Reserve	A reserve created to provide for future landfill rehabilitation expenditure.
Primary Care Partnership Reserve	A reserve created to account for the unspent portion of Primary Care Partnership grant funding received.
Small Town Redevelopment Reserve	A reserve for funds set aside for long term strategies for the small towns within the municipality.
Family Day Care Reserve	A reserve held to record funds collected from the Family Day Care Levy. These funds are to be used for future training and promotion for Family Day Care.
Risk Management Reserve	A reserve held to fund any risk and occupational health & safety initiatives.

Mildura Rural City Council
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**Notes to the Financial Report
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Note 25 Reserves (cont.)

Council

	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(c) Financial assets revaluation				
2011				
Interest in Mildura Airport Pty Ltd	5,631	206	-	5,837
	<u>5,631</u>	<u>206</u>	<u>-</u>	<u>5,837</u>
Total financial assets revaluation	<u>5,631</u>	<u>206</u>	<u>-</u>	<u>5,837</u>
2010				
Interest in Mildura Airport Pty Ltd	-	5,631	-	5,631
	<u>-</u>	<u>5,631</u>	<u>-</u>	<u>5,631</u>
Total financial assets revaluation	<u>-</u>	<u>5,631</u>	<u>-</u>	<u>5,631</u>

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 26 Reconciliation of cash flows from operating activities to surplus/(deficit)				
Surplus/(deficit)	7,458	6,544	7,251	3,847
Depreciation/amortisation	15,690	15,200	15,150	14,710
(Profit)/loss on disposal of property, plant and equipment, infrastructure	1,701	(443)	1,701	(443)
Non cash developer contributions	-	173	-	173
Contributions - Non-monetary assets	(2,400)	(1,036)	(2,400)	(1,036)
Interest expense	1,065	1,205	1,047	1,135
Impairment of non financial asset	7	-	-	-
<i>Change in assets and liabilities:</i>				
(Increase)/decrease in trade and other receivables	637	3,513	524	3,304
(Increase)/decrease in financial assets	194	(90)	183	(85)
Increase/(decrease) in trade and other payables	(1,133)	(1,591)	(1,056)	70
(Increase)/decrease in inventories	(62)	2	(62)	2
Increase/(decrease) in provisions	24	204	10	187
Net cash provided by/(used in) operating activities	23,181	23,681	22,348	21,864
Note 27 Reconciliation of cash and cash equivalents				
Cash and cash equivalents (see note 15)	6,157	10,339	5,632	9,863
Total reconciliation of cash and cash equivalents	6,157	10,339	5,632	9,863

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Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 28 Financing arrangements				
Bank overdraft	1,000	1,000	1,000	1,000
Unused facilities	1,000	1,000	1,000	1,000
Note 29 Restricted assets				
(a) Statutory				
Long service leave (note 23)	4,650	4,471	4,650	4,471
Non discretionary reserve funds (note 25)	1,642	2,319	1,642	2,319
Total	6,292	6,790	6,292	6,790
(b) Non-statutory				
Discretionary reserve funds (note 25)	12,790	11,565	12,790	11,565
Trust funds (note 22)	842	990	842	990
Unexpended grants (note 5)	4,749	3,027	4,749	1,027
Unexpended capital works (note 31)	10,915	4,383	10,915	4,350
Total	29,296	19,965	29,296	17,932
Total restricted assets	35,588	26,755	35,588	24,722

Council has cash and cash equivalents (note 15) and other assets (note 18) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves).

Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 23 due to a different basis of calculation prescribed by the regulation.

Mildura Rural City Council
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Notes to the Financial Report For the Year Ended 30 June 2011

Note 30 Superannuation

Post-employment Benefit

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

Council makes employer superannuation contributions in respect of its employees to their nominated Superannuation Fund (the Fund). Obligations for contributions are recognised as an expense in profit or loss when they are due. The Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Council contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Plan

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Plan's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, Mildura Rural City Council does not use defined benefit accounting for these contributions.

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2008, Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year);

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the Council's financial statements. AAS 25 requires that the present value of the defined benefit liability to be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Following an actuarial review conducted by the Trustee in late 2010, as at 31 December 2008, a funding shortfall of \$71 million for the Fund was determined. A call to Employers for additional contributions was made for the financial year 30 June 2011. A further actuarial review will be undertaken as at 31 December 2011 by mid 2012. Based on the result of this review, a detailed funding plan will be developed and implemented to achieve the target of full funding by 31 December 2013. The Council will be notified of any additional required contributions by late 2012.

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 30 Superannuation (cont.)

Accounting Standard Disclosure

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS25 follows:

	31-Dec-08 \$'000
Net Market Value of Assets	3,630,432
Accrued Benefits	3,616,422
Difference between Assets and Accrued Benefits	14,010
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	<u>3,561,588</u>

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

	Consolidated		Council	
Fund	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Defined benefits fund				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	488	498	488	498
Total	<u>488</u>	<u>498</u>	<u>488</u>	<u>498</u>
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	97	-	97
Total	<u>-</u>	<u>97</u>	<u>-</u>	<u>97</u>
Accumulation funds (Vision Super)				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,646	1,461	1,580	1,399
Total	<u>1,646</u>	<u>1,461</u>	<u>1,580</u>	<u>1,399</u>
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	260	-	260
Total	<u>-</u>	<u>260</u>	<u>-</u>	<u>260</u>
Accumulation funds (Other Funds)				
Employer contributions to Other Superannuation Funds.	446	339	446	339
Total	<u>446</u>	<u>339</u>	<u>446</u>	<u>339</u>
Employer contributions payable to Other Superannuation Funds at reporting date	-	63	-	63
Total	<u>-</u>	<u>63</u>	<u>-</u>	<u>63</u>
Contingent Liability				

Due to fluctuations in the value of assets underlying the fund and movements in the liabilities of the fund Council may be required to make an additional contribution to the fund. At this point in time the amount, and the likelihood of payment is not certain. Further detail of this matter is disclosed at note 33 - Contingent liabilities and contingent assets.

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**Notes to the Financial Report
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Note 31 Commitments

The Council has entered into the following commitments

Consolidated

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2011	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Swimming Pool Management	636	659	682	-	1,977
Waste Management	1,587	1,644	1,703	-	4,934
Cleaning Services	851	755	782	-	2,388
Security Services	316	328	340	-	984
Project Design	1,083	1,083	1,083	-	3,249
Other	2,337	2,418	2,503	-	7,258
Total	6,810	6,887	7,093	-	20,790
Capital					
Building Construction	8,229	-	-	-	8,229
Design & Project Management	24	-	-	-	24
Office Equipment	3	-	-	-	3
Recreation	471	-	-	-	471
Roadworks	319	-	-	-	319
Drainage	1,136	-	-	-	1,136
Plant & Equipment	732	-	-	-	732
Waste Management	1	-	-	-	1
Total	10,915	-	-	-	10,915

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**Notes to the Financial Report
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Note 31 Commitments (cont.)

Consolidated

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2010	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Swimming Pool Management	519	534	550	-	1,603
Waste Management	1,379	1,420	1,462	-	4,261
Cleaning Services	756	658	678	-	2,092
Security Services	351	362	372	-	1,085
Project Design	250	250	250	-	750
Other	1,630	1,676	1,724	-	5,030
Total	4,885	4,900	5,036	-	14,821
Capital					
Building Construction	973	-	-	-	973
Design & Project Management	725	-	-	-	725
Office Equipment	219	-	-	-	219
Roadworks	843	-	-	-	843
Drainage	1,321	-	-	-	1,321
Plant & Equipment	165	-	-	-	165
Waste Management	137	-	-	-	137
Total	4,383	-	-	-	4,383

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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 31 Commitments (cont.)

The Council has entered into the following commitments

Council

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2011	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Swimming Pool Management	636	659	682	-	1,977
Waste Management	1,587	1,644	1,703	-	4,934
Cleaning Services	729	755	782	-	2,266
Security Services	316	328	340	-	984
Project Design	1,083	1,083	1,083	-	3,249
Other	2,337	2,418	2,503	-	7,258
Total	6,688	6,887	7,093	-	20,668
Capital					
Building Construction	8,229	-	-	-	8,229
Design & Project Management	24	-	-	-	24
Office Equipment	3	-	-	-	3
Recreation	471	-	-	-	471
Roadworks	319	-	-	-	319
Drainage	1,136	-	-	-	1,136
Plant & Equipment	732	-	-	-	732
Waste Management	1	-	-	-	1
Total	10,915	-	-	-	10,915

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**Notes to the Financial Report
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Note 31 Commitments (cont.)

Council

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2010	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Swimming Pool Management	519	534	550	-	1,603
Waste Management	1,379	1,420	1,462	-	4,261
Cleaning Services	639	658	678	-	1,975
Security Services	351	362	372	-	1,085
Project Design	250	250	250	-	750
Other	1,630	1,676	1,724	-	5,030
Total	4,768	4,900	5,036	-	14,704
Capital					
Building Construction	973	-	-	-	973
Design & Project Management	725	-	-	-	725
Office Equipment	219	-	-	-	219
Roadworks	810	-	-	-	810
Drainage	1,321	-	-	-	1,321
Plant & Equipment	165	-	-	-	165
Waste Management	137	-	-	-	137
Total	4,350	-	-	-	4,350

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Notes to the Financial Report
For the Year Ended 30 June 2011

	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 32 Operating leases				
(a) Operating lease commitments				
Not later than one year	153	183	-	-
Later than one year and not later than five years	174	322	-	-
Later than five years	-	-	-	-
	<u>327</u>	<u>505</u>	<u>-</u>	<u>-</u>
(b) Operating lease receivables				
The Council has entered into commercial property leases on its property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.				
Future minimum rentals receivable under non-cancellable operating leases are as follows:				
Not later than one year	506	474	304	294
Later than one year and not later than five years	1,220	1,313	594	777
Later than five years	982	988	720	667
	<u>2,708</u>	<u>2,775</u>	<u>1,618</u>	<u>1,738</u>

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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 33 Contingent liabilities and contingent assets

Contingent liabilities

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increase in volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Mildura Rural City Council, as the principal member of the Mildura Regional Waste Management Group, is potentially liable under section 50F of the Environmental Protection Act 1970, for costs associated with any projects undertaken by the group, capital reserve funds or loan repayments which are not met by funds from other sources (including government subsidies, private sponsorship and group income). At reporting date, no potential for liability was evident.

At the request of the EPA Mildura Rural City Council has undertaken testing of a former landfill site adjacent to the Murray River in Mildura. Based on the results of this testing the EPA has requested the private owner of the site to carry out periodical groundwater monitoring. Mildura Rural City Council may be required to contribute to this ongoing monitoring. Results of the monitoring to date do not indicate any need to rehabilitate the site and the potential costs if this was required have not been established.

In relation to a Subdivision Approval, there may be resulting claims for damages against Mildura Rural City Council. At reporting date, it has not been determined as to the possible extent of the financial outlay for such activity. No claims have been made at the date of this report.

Guarantees for loans to other entities

Guarantees by Council to financial institutions over loans taken out by sporting clubs and community organisations within the municipality and performance guarantees for construction contracts amounting to \$520,758 (2010: \$520,758)

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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 34 Financial instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and cash equivalents	15	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues.	Funds held as cash or in bank account in funds balances, available at call. Funds returned fixed interest rate of between 4.50% (3.64% in 2009/2010), and 6.14% (6.08% in 2009/2010) net of fees.
Financial Assets	18	Investments, bills, bonds and notes are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Managed funds are measured at market value.	
Trade and other receivables			
Other debtors	16	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears do not attract any interest. Credit terms are based on 30 days.
Financial Liabilities			
Trade and other payables	21	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 14 days of invoice receipt.
Interest-bearing loans and borrowings	24	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables. Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.64% (6.26% in 2009/2010). As at balance date, the Council had finance leases with an average lease term of 5 years. The weighted average rate implicit in the lease is 7.93% (6.26% in 2009/2010).
Bank overdraft	28	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. No overdrafts were utilised 2010/2011 (Nil in 2009/2010).

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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 34 Financial instruments (cont.)

(b) Interest Rate Risk

The Council's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Consolidated	Fixed interest maturing in:					Total
	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	
2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	6,140	-	-	-	17	6,157
Other financial assets	-	14,000	5,049	1,010	-	20,059
Trade and other receivables	-	-	-	-	2,688	2,688
Total financial assets	6,140	14,000	5,049	1,010	2,705	28,904
Weighted average interest rate	4.02%	5.78%	6.10%	5.93%		
Financial liabilities						
Trade and other payables	-	-	-	-	5,733	5,733
Trust funds and deposits	-	-	-	-	842	842
Interest-bearing loans and borrowings	-	62	1,753	13,690	-	15,504
Total financial liabilities	-	62	1,753	13,690	6,575	22,079
Weighted average interest rate	6.80%	6.60%	6.60%	6.60%		
Net financial assets/(liabilities)	6,140	13,938	3,296	(12,680)	(3,870)	6,825
Fixed interest maturing in:						
2010	Floating Interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	10,321	-	-	-	18	10,339
Other financial assets	-	9,000	6,049	1,011	-	16,060
Trade and other receivables	-	-	-	-	2,938	2,938
Total financial assets	10,321	9,000	6,049	1,011	2,956	29,337
Weighted average interest rate	4.20%	5.82%	6.00%	6.00%		
Financial liabilities						
Trade and other payables	-	-	-	-	6,899	6,899
Trust funds and deposits	-	-	-	-	990	990
Interest-bearing loans and borrowings	2,740	1,430	6,947	5,838	-	16,956
Total financial liabilities	2,740	1,430	6,947	5,838	7,889	24,845
Weighted average interest rate	6.80%	6.60%	6.60%	6.60%		
Net financial assets/(liabilities)	7,581	7,570	(898)	(4,827)	(4,933)	4,492

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For the Year Ended 30 June 2011**

(b) Interest Rate Risk (cont.)

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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 34 Financial Instruments (cont.)

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, for the Consolidated entity at balance date are as follows:

Consolidated	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial Instruments				
<i>Financial assets</i>				
Cash and cash equivalents	6,157	10,339	6,157	10,339
Other financial assets	20,060	16,060	20,060	16,060
Trade and other receivables	2,688	2,938	2,688	2,938
Total financial assets	28,905	29,337	28,905	29,337
<i>Financial liabilities</i>				
Trade and other payables	5,733	6,899	5,733	6,899
Trust funds and deposits	842	990	842	990
Interest-bearing loans and borrowings	15,504	16,956	14,609	15,597
Total financial liabilities	22,079	24,845	21,184	23,486
Council				
Financial Instruments				
<i>Financial assets</i>				
Cash and cash equivalents	5,632	9,863	5,632	9,863
Other financial assets	43,170	38,964	43,170	38,964
Trade and other receivables	4,798	4,936	4,798	4,936
Total financial assets	53,600	53,763	53,600	53,763
<i>Financial liabilities</i>				
Trade and other payables	5,514	6,593	5,514	6,593
Trust funds and deposits	842	990	842	990
Interest-bearing loans and borrowings	15,286	16,715	14,548	15,356
Total financial liabilities	21,642	24,298	20,904	22,939

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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 34 Financial Instruments (cont.)

(d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

(e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

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

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. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

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

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

*Mildura Rural City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 34 Financial Instruments (cont.)

(e) Risks and mitigation (cont.)

Credit risk

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

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

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 33.

Movement in Provisions for Doubtful Debts	2011 \$'000	2010 \$'000
Balance at the beginning of the year	111	100
New Provisions recognised during the year	-	11
Amounts provided for but recovered during the year	(19)	-
Balance at end of year	<u>92</u>	<u>111</u>

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

	2011 \$'000	2010 \$'000
Current (not yet due)	1,338	1,901
Past due by up to 30 days	71	199
Past due between 31 and 180 days	111	28
Past due between 181 and 365 days	75	40
Past due by more than 1 year	455	586
Total Trade & Other Receivables	<u>2,050</u>	<u>2,754</u>

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Notes to the Financial Report
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Note 34 Financial Instruments (cont.)

(e) Risks and mitigation (cont.)

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial asset at all.

To help reduce these risks we:

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

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts.

Consolidated

2011	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	5,733	-	-	-	-	5,733	5,733
Interest-bearing loans and borrowings	1,219	1,219	2,250	6,176	12,923	23,787	15,504
Trust funds and deposits	842	-	-	-	-	842	842
Total financial liabilities	7,794	1,219	2,250	6,176	12,923	30,362	22,079

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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 34 Financial Instruments (cont.)

(e) Risks and mitigation (cont.)

Consolidated

2010	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	6,899	-	-	-	-	6,899	6,899
Interest-bearing loans and	1,264	1,291	2,448	6,355	12,442	23,800	16,956
Trust funds and deposits	990	-	-	-	-	990	990
Total financial liabilities	9,153	1,291	2,448	6,355	12,442	31,689	24,845

Council

2011	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	5,514	-	-	-	-	5,514	5,514
Interest-bearing loans and borrowings	1,219	1,219	2,250	6,176	12,923	23,787	15,286
Trust funds and deposits	842	-	-	-	-	842	842
Total financial liabilities	7,575	1,219	2,250	6,176	12,923	30,143	21,642

Council

2010	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	6,593	-	-	-	-	6,593	6,593
Interest-bearing loans and	1,251	1,252	2,448	6,346	15,003	26,300	16,715
Trust funds and deposits	990	-	-	-	-	990	990
Total financial liabilities	8,834	1,252	2,448	6,346	15,003	33,883	24,298

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Notes to the Financial Report
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Note 34 Financial Instruments (cont.)

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of + 1% and -2% in market interest rates (AUD) from year-end rates of 4.5%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

Consolidated

		Interest rate risk			
		-1 %		+2	
		-100 basis points		+200 basis points	
2011	Carrying Amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	6,157	(62)	(62)	124	124
Financial assets	20,060	(201)	(201)	402	402
Trade and other receivables	2,688	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	15,504	-	-	-	-

Council

		Interest rate risk			
		-1 %		+2 %	
		-100 basis points		+200 basis points	
2011	Carrying Amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	5,632	(56)	(56)	113	113
Financial assets	20,060	(201)	(201)	401	401
Trade and other receivables	4,798	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	15,286	-	-	-	-

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Notes to the Financial Report
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	Consolidated		Council	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Note 35 Auditors' remuneration				
Audit fee to conduct external audit - Victorian Auditor-General	59	62	45	55
Internal audit fees -Deloitte Touche Tohmatsu	132	214	132	214
Fees for other services provided by internal auditor	18	5	15	3
Total Auditors' remuneration	209	281	192	272

Note 36 Events occurring after balance date

No matter or circumstances has arisen since the end of the financial period to 30 June 2011 that has significantly affected or may significantly affect the operations of the Council. Since the reporting date, world financial markets have shown volatility that may affect the carrying value of the MRCC's investment portfolio. The MRCC continues to maintain a conservative investment strategy to manage our exposure to this volatility.

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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 37 Related party transactions

(i) Responsible Persons

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

Councillors	Glenn Milne	1/07/2010 to 30/06/2011
	John Arnold	1/07/2010 to 30/06/2011
	Vernon Knight	1/07/2010 to 25/03/2011
	Judi Harris	1/07/2010 to 30/06/2011
	Fiona Hilton-Wood	1/07/2010 to 30/06/2011
	Max Thorburn	1/07/2010 to 30/06/2011
	Nick Cavallo	1/07/2010 to 30/06/2011
	Sue Nichols	1/07/2010 to 30/06/2011
	Mark Eckel	1/07/2010 to 30/06/2011
	Sharyon Peart	12/05/2011 to 30/06/2011
Chief Executive Officer	Mark Henderson	1/07/2010 to 30/06/2011

(ii) Remuneration of Responsible Persons

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

	2011	2010
	No.	No.
\$2000 - \$ 9,999	1	-
\$10,000 - \$19,999	7	8
\$30,000 - \$39,999	2	-
\$50,000 - \$59,999	-	1
\$150,000 - \$159,999	-	1
\$180,000 - \$189,999	-	1
\$230,000 - \$239,999	1	-
	11	11
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	478	550

(iii) Retirement Benefits of Responsible Persons

No retirement benefits have been made by the Council to a Responsible Person. (2009/10, Nil).

Mildura Rural City Council
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Notes to the Financial Report
For the Year Ended 30 June 2011

Note 37 Related party transactions (cont.)

(iv) Loans to Responsible Persons

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2009/10, Nil).

(v) Other Transactions to Responsible Persons

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2009/10, Nil).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council whose total annual remuneration exceeds \$124,000, or if remuneration is less than \$124,000 has management responsibilities and reports directly to the Chief Executive Officer

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

	2011	2010
	No.	No.
Income Range:		
\$124,000 - \$129,999	2	1
\$130,000 - \$139,999	4	4
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	2	-
\$180,000 - \$189,999	1	1
	10	7
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	1,456	994

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**Notes to the Financial Report
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Note 38 Income, expenses and assets by function/activities

Council	Development		Community		Corporate		Executive		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
INCOME										
Grants	2,692	310	6,486	7,451	19,302	13,967	0	21	28,480	21,749
Other	5,263	9,760	5,769	3,696	48,391	48,344	1,239	1,498	60,662	63,298
TOTAL	7,955	10,070	12,255	11,147	67,693	62,311	1,239	1,519	89,142	85,047
EXPENSES	(29,462)	(34,705)	(23,738)	(18,387)	(25,871)	(23,770)	(2,820)	(4,338)	(81,891)	(81,200)
SURPLUS (DEFICIT) FOR THE YEAR	(21,507)	(24,635)	(11,483)	(7,240)	41,822	38,541	(1,581)	(2,819)	7,251	3,847
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	428,897	429,023	44,416	52,457	62,969	62,479	0	0	536,282	543,959

*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

Development

The Development Division of Council is responsible for enhancing and developing Council's physical environment.

The Division includes the following branches :

Engineering Services	Development Services
Building & Environmental Services	Project Management

Community

The Community Division of Council promotes and enhances community wellbeing through funding programs, advocacy, service provision, and community partnerships.

The Division includes the following branches :

Community Care Services	Community Futures
Leisure & Cultural Services	

Corporate

The Corporate Division of Council is responsible for providing a range of strategic and operational services to business units and to the Council as a whole.

The Division includes the following branches :

Organisational Development	Financial Services
Information Systems	Corporate Administration

Executive

The Executive Services Division of Council is responsible for the offices of the CEO, Mayor and Councillor's.

The Division includes the following branches :

Council Administration
Government

*Mildura Rural City Council
2010/2011 Financial Report*

**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 39 Financial ratios (Performance indicators)

	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)	2009 \$'000	2009 (%)
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt servicing costs</u>	1,046		1,135		1,024	
Total revenue	89,142	= 1.17%	85,047	= 1.33%	94,178	= 1.09%

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

(b) Debt commitment ratio (to identify Council's debt redemption strategy)

<u>Debt servicing & redemption costs</u>	2,475		2,495		1,987	
Rate revenue	45,258	= 5.47%	43,184	= 5.78%	41,154	= 4.83%

The strategy involves the payment of loan principal and interest, finance lease principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

(c) Revenue ratio (to identify Council's dependence on non-rate income)

<u>Rate revenue</u>	45,258		43,184		41,154	
Total revenue	89,142	= 50.77%	85,047	= 50.78%	94,178	= 43.73%

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

(d) Debt exposure ratio (to identify Council's exposure to debt)

<u>Total indebtedness</u>	32,797		36,230		36,750	
Total realisable assets	147,463	= 22.24%	149,751	= 24.19%	207,873	= 17.68%

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 29) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

Land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in Mildura Airport Pty Ltd.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.

*Mildura Rural City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 39 Financial ratios (Performance indicators) (cont.)

	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)	2009 \$'000	2009 (%)
(e) Working capital ratio (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	26,898		26,774		24,855	
Current liabilities	15,301	= 175.79%	16,357	= 163.69%	15,714	= 158.17%

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)

<u>Current assets</u>	26,898		26,774		24,855	
Current liabilities	11,534	= 233.21%	12,773	= 209.61%	11,384	= 218.33%

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

Mildura Rural City Council
2010/2011 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2011

Note	Consolidated		Council	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 40 Capital expenditure				
Capital expenditure areas				
Roads	5,870	6,581	5,870	6,581
Drainage	1,436	3,159	1,436	3,159
Parks, open space and streetscapes	1,274	2,194	1,274	2,194
Airport development works	-	2,857	-	-
Waste management	530	-	530	-
Other outdoor infrastructure	144	3,232	129	2,651
Community facilities	2,782	3,667	2,744	3,270
Plant and office equipment	4,282	4,252	3,594	4,161
Other	5,553	344	5,553	344
Total capital works	21,871	26,286	21,130	22,360
Represented by:				
Renewal of infrastructure (a)	11,225	9,880	11,225	9,880
Upgrade of infrastructure (b)	5,990	7,340	5,249	3,414
Expansion of infrastructure (c)	4,656	9,066	4,656	9,066
Total capital works	21,871	26,286	21,130	22,360

Property, plant and equipment, infrastructure movement

The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:

Total capital works		21,871	26,286	21,130	22,360
Contributions - non-monetary assets	6	2,400	863	2,400	863
Asset revaluation movement	25	(10,722)	22,292	(10,722)	22,292
Depreciation/amortisation	12	(15,690)	(15,200)	(15,150)	(14,710)
Written down value of assets sold	19	(2,732)	(705)	(2,730)	(705)
Transfers from provisions	19	(809)	-	(809)	-
Net movement in property, plant and equipment, infrastructure	19	(5,682)	33,536	(5,881)	30,100

*Mildura Rural City Council
2010/2011 Financial Report*

**Notes to the Financial Report
For the Year Ended 30 June 2011**

Note 40 Capital expenditure (cont.)

(a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

(b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.

(c) Expansion

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group.

**Mildura Rural City Council
2010/2011 Financial Report**

Certification of the Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*, Australian Accounting Standards and other mandatory professional reporting requirements.



David Folvig
Principal Accounting Officer

Date : 29 September 2011
Mildura

In our opinion the accompanying financial statements present fairly the consolidated financial transactions of Mildura Rural City Council for the year ended 30 June 2011 and the consolidated financial position of the Council as at that date.

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

We have been authorised by the Council on 29 September 2011 to certify the financial statements in their final form.



Cr Susan Nichols
Councillor

Date : 29 September 2011
Mildura



Cr Glenn Milne
Councillor

Date : 29 September 2011
Mildura



Mark Henderson
Chief
Executive
Officer

Date : 29 September 2011
Mildura

**MILDURA RURAL CITY COUNCIL
STANDARD STATEMENTS
For the Year Ending June 2011**

INTRODUCTION

Note 1 Basis of preparation

The following four Standard Statements and explanatory notes for the Annual Report (the Comparison Report) form a special purpose financial report prepared specifically to meet the requirements of the Local Government Act 1989 relating to Standard Statements.

The Standard Statements in this Comparison Report each provide information in relation to an aspect of Council's financial management. They should be read in conjunction with one another to obtain an overall understanding of Council's financial position and management.

The Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement, and Standard Statement of Capital Works are consistent with the Budget and are prepared on bases consistent with the Financial Statements.

This report is a summary of the information found in the Budget and the Financial Report and as such cannot be expected to provide as full an understanding of financial performance as the complete reports from which it is derived. The Budget and Financial Report, together with their detailed notes, should be examined for further detailed information.

Where material variances have occurred between the budget adopted by Council at the commencement of the year, and the actual results for the year, Variance Exception Reports are included. A variance is considered material where it is 10% or greater.

GLOSSARY

The following information is included to provide the reader with information about each of the standard statements presented in this report:

**MILDURA RURAL CITY COUNCIL
STANDARD STATEMENTS
For the Year Ending June 2011**

Standard Income Statement

The Standard Income Statement for the Annual Report shows what has happened or is expected to happen during a year in terms of revenue, expenses, and other adjustments from all activities during a financial year.

The Income Statement requires revenues to be separately disclosed where the item is of such a size, nature or incidence that its disclosure is relevant in explaining the performance of the Council.

Standard Balance Sheet

The Standard Balance Sheet shows a snapshot of all the assets and liabilities as at 30 June 2011. It shows the total of what is owned (assets) less what is owed (liabilities). The bottom line of this statement is net assets, which is the net worth of Council.

The assets and liabilities are separated into current and non-current.

**MILDURA RURAL CITY COUNCIL
STANDARD STATEMENTS
For the Year Ending June 2011**

Standard Cash Flow Statement

A Standard Cash Flow Statement shows what has happened or what is expected to happen during a financial year in terms of cash inflows and outflows from all activities. It explains what cash movements have resulted in the difference in the cash balance at the beginning and the end of the year. The net cash flows from operating activities, shows how much cash remains or is expected to remain after paying for providing services to the community which may be invested in things such as capital works.

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash, such as cash invested with funds managers, net of bank overdrafts.

Cash arises from, and is used in, three main activities:

Cash Flow from Operating Activities

Receipts:

All cash received from ratepayers, government and others who owed or provided money to Council as part of its normal operations.

Payments:

All cash paid by Council to staff, creditors, other persons as part of its normal operations.

Cash Flows from Investing Activities

Cash flows from investing activities are those activities which relate to acquisition and disposal of non-current assets, including property, plant and equipment and other productive assets, and investments not falling within the definition of cash.

Cash Flows from Financing Activities

Cash flows from financing activities are those activities which relate to changing the size and composition of the financial structure of the entity, including equity, and borrowings not falling within the definition of cash.

The bottom line of the Standard Cash Flow Statement is the cash at end of financial year. This shows the capacity of Council to meet its debts and other liabilities.

The information in a Standard Cash Flow Statement assists in the assessment of the ability to generate cash flows and meet financial commitments as they fall due, including the servicing of borrowings, fund changes in the scope or nature of activities, and obtain external finance.

**MILDURA RURAL CITY COUNCIL
STANDARD STATEMENTS
For the Year Ending June 2011**

Standard Statement of Capital Works

The Standard Statement of Capital Works sets out all capital expenditure that has been spent or is expected to be spent in relation to non-current assets during a financial year.

It also shows whether this expenditure is renewing, expanding or upgrading existing assets or creating new assets. This is important because each of these categories has a different impact on Council's future costs as detailed below:

Capital Renewal

Capital renewal expenditure is expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components of the asset being renewed.

As Capital renewal expenditure reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

Capital Expansion

Capital expansion expenditure extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users.

It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group.

Capital Upgrade

Capital upgrade expenditure enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally.

Capital upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in Council's asset base.

New Capital Expenditure

New capital expenditure does not have any element of expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for Council and will result in an additional burden for future operation, maintenance and capital renewal.

**MILDURA RURAL CITY COUNCIL
STANDARD INCOME STATEMENT
For the Year Ending June 2011**

	Budget 2010/2011	Actuals 2010/2011	Variances		
	\$'000	\$'000	\$'000	%	Ref
Revenue From Operating Activities					
Rates	45,001	45,258	257	1	
Grants	22,552	28,480	5,928	26	1
Contributions	1,055	1,004	(51)	(5)	
Reimbursements & Subsidies	5,221	5,034	(187)	(4)	
Charges, Fees & Fines	6,623	6,673	50	1	
Revenue From Non Operating Activities					
Interest	1,534	1,672	138	9	
Other Revenue	288	322	34	12	2
Total Revenues	82,274	88,443	6,169		
Expenses From Operating Activities					
Employee Benefits	32,619	35,001	2,382	7	3
Materials, Contractors & Services	25,423	26,763	1,340	5	
Depreciation & Amortisation	12,967	15,150	2,183	17	4
Office Operations	3,748	2,721	(1,027)	(27)	5
Auditors Remuneration	191	192	1	1	
Other	987	867	(120)	(12)	6
Finance Costs	977	1,046	69	7	
Total Expenses	76,912	81,740	4,828		
Net gain(loss) on disposal of property, plant and equipment, infrastructure	375	(1,701)	(2,076)	(554)	7
Contributed Infrastructure	-	2,400	2,400	100	8
Bad & doubtful debts	-	(151)	(151)	100	9
Surplus(deficit) for the period	5,737	7,251	1,514		

This financial report should be read in conjunction with the accompanying notes.

**MILDURA RURAL CITY COUNCIL
STANDARD INCOME STATEMENT
VARIANCE EXPLANATION REPORT
For the Year Ending June 2011**

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
1	Grants	Favourable result due predominantly to receipt of unbudgeted Natural Disaster Relief funding as a result of the February 2011 rain event.
2	Other Revenue	This item includes many sundry and other income items and due to their volume and size explanation of individual variances is deemed not warranted.
3	Employee Benefits	Unfavourable variance due primarily to settlement of the Defined Benefits Superannuation liability call in this financial year and additional costs incurred in response to the February 2011 rain event.
4	Depreciation & Amortisation	The value of infrastructure assets higher than budget as a result of asset revaluations and therefore depreciation expense was under estimated at 30/6/2010
5	Office Operations	Favourable variance primarily due to the re-allocation of cleaning supply and material costs from Office Operations to Materials, Contracts & Services expense category and lower than budget expenditure on advertising and printing costs.
6	Other Expenditure	Favourable variance due to re-allocation of operating lease costs from Other Expenditure to Materials, Contracts & Services expense category.
7	Net gain(loss) on disposal of property, plant and equipment, infrastructure	Unfavourable variance due to the disposal of a large amount of building and infrastructure assets as a result of the progress of several large scale major capital works projects
8	Contributed Infrastructure	Favourable result due to unbudgeted contributed infrastructure assets from developer subdivisions. Council does not attempt to budget for this item due to its volatile nature.
9	Bad & doubtful debts	As a result of adverse economic conditions and financial hardship, the provision for receivables deemed doubtful has increased.

**MILDURA RURAL CITY COUNCIL
STANDARD BALANCE SHEET
As at 30 June 2011**

	Budget 2010/2011 \$'000	Actuals 2010/2011 \$'000	Variances		Ref
			\$'000	%	
Current assets					
Cash assets	19,402	5,632	(13,770)	(71)	10
Receivables	9,900	5,870	(4,030)	(41)	11
Other financial assets	1,604	15,396	13,792	860	12
Total current assets	30,906	26,898	(4,008)		
Non-current assets					
Receivables	2,585	2,500	(85)	(3)	
Property, infrastructure, plant and equipment	466,944	475,219	8,275	2	
Intangible assets	-	2,496	2,496	100	13
Other assets	-	6,059	6,059	100	14
Investment in Subsidiary	17,273	23,110	5,837	34	15
Total non-current assets	486,802	509,384	22,582		
Total assets	517,708	536,282	18,574		
Current liabilities					
Payables	7,576	6,378	(1,198)	(16)	16
Interest bearing liabilities	1,465	1,471	6	-	
Provisions	7,113	7,452	339	5	
Total current liabilities	16,154	15,301	-853		
Non-current liabilities					
Interest bearing liabilities	17,008	13,815	(3,193)	(19)	17
Provisions	5,189	3,681	(1,508)	(29)	18
Total non-current liabilities	22,197	17,496	(4,701)		
Total liabilities	38,351	32,797	(5,554)		
Net assets	479,357	503,485	24,128		
Equity					
Reserves	258,128	280,947	22,819	9	
Accumulated Surplus	221,229	222,538	1,309	1	
Total equity	479,357	503,485	24,128		

This financial report should be read in conjunction with the accompanying notes.

**MILDURA RURAL CITY COUNCIL
STANDARD BALANCE SHEET
VARIANCES EXPLANATION REPORT
As at 30 June 2011**

<u>Ref</u>	<u>Item</u>	<u>Explanation</u>
10	Cash assets	Variance due to reclassification of investment products other than bank accounts as Other financial assets. Refer Note 12
11	Receivables	As a result of improved debt management processes and procedures receivables are at levels well below budget.
12	Other financial assets	Reclassification of investment products other than bank accounts. Refer Note 10
13	Intangible assets	Re-classification of water rights assets from property, infrastructure, plant and equipment asset category to intangible assets.
14	Other assets	This amount was budgeted under investment in subsidiary category (Note 14) although it represents long term financial assets.
15	Investment in Subsidiary	Variance due to revaluation of investment in subsidiary over the past two financial years.
16	Payables	Favourable variance due to a decrease in trade creditors as a result of efficiencies realised in the accounts payable function.
17	Interest bearing liabilities	Variance due to a delay of loan borrowings for the Mildura Arts Centre precinct upgrade project.
18	Provisions	Variance due primarily to a revaluation of the Mildura landfill rehabilitation provision

MILDURA RURAL CITY COUNCIL
STANDARD CASH FLOW STATEMENT
For the Year Ending June 2011

	Budgeted 2010/2011 Inflows (Outflows) \$'000	Actuals 2010/2011 Inflows (Outflows) \$'000	Variances		
			\$'000	%	Ref
Cash inflows / (outflows) from operating activities					
<i>Receipts</i>					
Receipts from ratepayers	45,001	45,046	45	-	
Grants for operations	22,552	28,480	5,928	26	19
Interest received	1,534	1,619	85	6	
User charges and reimbursements	14,343	13,825	(518)	(4)	
	83,430	88,970	5,540		
<i>Payments</i>					
Payments to suppliers	(30,948)	(31,453)	(505)	2	
Payments to employees	(32,619)	(35,169)	(2,550)	8	20
	(63,567)	(66,622)	(3,055)		
Net cash provided by operating activities	19,863	22,348	2,485		
Cash inflows / (outflows) from investing activities					
Payments for non-current assets	(29,981)	(21,130)	8,851	(30)	21
Payments for other financial assets	-	(3,999)	(3,999)	100	22
Proceeds from sale of non-current assets	1,071	1,174	103	10	23
Net cash used in investing activities	(28,910)	(23,955)	4,955		
Cash inflows / (outflows) from financing activities					
Finance Costs	977	(1,047)	(2,024)	(207)	24
Loans drawn down	3,100	-	(3,100)	(100)	25
Loan borrowing repayments	(1,465)	(1,429)	36	(2)	
Movement in trust funds	-	(148)	(148)	100	26
activities	2,612	(2,624)	(5,236)		
Net increase / (decrease) in cash held for year	(6,435)	(4,231)	2,204		
Cash at beginning of financial year	25,837	9,863	(15,974)		
Cash at end of financial year	19,402	5,632	(13,770)		

This financial report should be read in conjunction with the accompanying notes.

MILDURA RURAL CITY COUNCIL
STANDARD CASH FLOW STATEMENT
VARIANCE EXPLANATION REPORT
For the Year Ending June 2011

<u>Ref</u>	<u>Item</u>	<u>Explanation</u>
19	Grants for operations	Favourable result due predominantly to receipt of unbudgeted Natural Disaster Relief funding as a result of the February 2011 rain event.
20	Payments to employees	Unfavourable variance due primarily to settlement of the Defined Benefits Superannuation liability call in this financial year and additional costs incurred in response to the February 2011 rain event.
21	Payments for non-current assets	Unfavourable variance a result of budgeting for large scale major projects in 2010-2011 where anticipated completion will be over several financial years
22	Payments for other financial assets	This amount represents the movement between Cash assets and Other financial assets as a result of day to day operational cash flow requirements. As the nature of this item is difficult to predict, an annual budget allocation is not warranted.
23	Proceeds from sale of non-current assets	Favourable result as both the volume and disposal values for plant items are higher than anticipated.
24	Finance Costs	Variation due to a budget anomaly where interest on borrowings was budgeted as a cash inflow in error.
25	Loans drawn down	Variance due to a delay of loan borrowings for the Mildura Arts Centre precinct upgrade project.
26	Movement in trust funds	Variance due to council not budgeting for this item due to its unpredictability.

MILDURA RURAL CITY COUNCIL
STANDARD STATEMENT OF CAPITAL WORKS
For the Year Ending June 2011

Capital Works Area	Budget 2010/2011	Actuals 2010/2011	Variances		
	\$'000	\$'000	\$'000	%	Ref
Roads	6,648	5,870	(778)	(12)	27
Drainage	1,094	1,436	342	31	28
Parks & Recreational Facilities	847	1,274	427	50	29
Waste Management	680	530	(150)	(22)	30
Other Outdoor Infrastructure	50	129	79	158	31
Community Facilities	1,902	2,744	842	44	32
Plant & Office Equipment	2,528	3,594	1,066	42	33
Other	21,698	5,553	(16,145)	(74)	34
Total Capital Works	35,447	21,130	(14,317)		
<i>Represented by:</i>					
Capital Renewal	22,685	11,225	(11,460)	(51)	35
Capital Upgrade	7,090	5,249	(1,841)	(26)	36
Capital Expansion	5,672	4,656	(1,016)	(18)	37
Total Capital Works	35,447	21,130	(14,317)		
The movement between the previous year and the current year in property, infrastructure, plant and equipment as shown in the Statement of Financial Position links to the net of the following items.					
Total Capital Works	35,447	21,130	(14,317)	(40)	38
Granted assets	(3,500)	-	3,500	100	39
New asset recognition	-	2,400	2,400	100	40
Asset revaluation increments (decrements)	-	(10,722)	(10,722)	(100)	41
Depreciation and amortisation	(12,967)	(15,150)	(2,183)	17	42
Gross W.D.V. of assets sold	(4,408)	(2,730)	1,678	(38)	43
Transfer from provision	-	(809)	(809)	(100)	44
Net movement in property, plant and equipment, infrastructure	14,572	(5,881)	(20,453)		

This financial report should be read in conjunction with the accompanying notes.

MILDURA RURAL CITY COUNCIL
STANDARD STATEMENT OF CAPITAL WORKS
VARIANCE EXPLANATION REPORT
For the Year Ending June 2011

Ref	Item	Explanation
27	Roads	Roads projects both re-prioritised and delayed as a result of the February 2011 rain event.
28	Drainage	Drainage works program expanded to complete repairs and mitigate further damage as a result of the February 2011 rain event.
29	Parks & Recreational Facilities	Unfavourable result primarily caused by expenditure against additional unbudgeted grant funding received during the year.
30	Waste Management	Capital works program reprioritised and projects delayed as a result of budget review.
31	Other Outdoor Infrastructure	Unfavourable result primarily caused by expenditure against additional unbudgeted grant funding received during the year.
32	Community Facilities	Unfavourable result primarily caused by expenditure against additional unbudgeted grant funding received during the year.
33	Plant & Office Equipment	This category is budgeted on a net basis (outlay less trade) where actual result reflects capital outlay only.
34	Other	This category relates to large scale expenditure on community use building and infrastructure assets which will be completed over several financial years. See also Notes 35, 36 & 37
35	Capital Renewal	Unfavourable variance due to the anticipated completion of major infrastructure projects over several financial years.
36	Capital Upgrade	Unfavourable variance due to the anticipated completion of major infrastructure projects over several financial years.
37	Capital Expansion	Unfavourable variance due to the anticipated completion of major infrastructure projects over several financial years.
38	Total Capital Works	Unfavourable variance a result of budgeting for large scale major projects in 2010-2011 where anticipated completion will be over several financial years.
39	Granted assets	This item did not occur primarily due to the incompleteness of the 2010-2011 capital works program.
40	New asset recognition	This item related to gifted or contributed assets resulting from new residential development. As the nature of this item is volatile in nature and difficult to predict, it is not included as part of the budget process.
41	Asset revaluation increments (decrements)	As the nature of this item is difficult to predict, it is not included as part of the budget process.
42	Depreciation and amortisation	The value of infrastructure assets is higher than budget as a result of asset revaluations and therefore depreciation expense was under estimated.
43	Gross W.D.V. of assets sold	This item is linked to the incompleteness of the 2010-2011 works program in that the works are to replace, upgrade and expand existing buildings and community infrastructure assets which requires writing off of the book value of the existing assets. Much of this is yet to occur.
44	Transfer from provision	This is an unbudgeted item and relates to a revaluation of the Mildura landfill rehabilitation provision.

**Mildura Rural City Council
2010/2011 Financial Report**

Certification of the Standard Statements

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*.



David Folvig
Principal Accounting Officer

Date : 29 September 2011
Mildura

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*.

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

We have been authorised by the Council on 29 September 2011 to certify the standard statements in their final form.



Cr Susan Nichols
Councillor

Date : 29 September 2011
Mildura



Cr Glenn Milne
Councillor

Date : 29 September 2011
Mildura



Mark Henderson
Chief Executive Officer

Date : 29 September 2011
Mildura



Victorian Auditor-General's Office
INDEPENDENT AUDITOR'S REPORT
To the Councillors, Mildura Rural City Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2011 of the Mildura Rural City Council which comprises of comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

The accompanying standard statements for the year ended 30 June 2011 of the Council which comprises of standard income statement, standard balance sheet, standard cash flows statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The Councillor's Responsibility for the Financial Report and Standard Statements

The Councillors of the Mildura Rural City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 of the statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

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Auditing in the Public Interest



Victorian Auditor-General's Office

Independent Auditor's Report (continued)

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

Independence

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

Auditor's Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Mildura Rural City Council as at 30 June 2011 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Mildura Rural City Council for the year ended 30 June 2011 included both in the Mildura Rural City Council's annual report and on the website. The Councillors of the Mildura Rural City Council are responsible for the integrity of the Mildura Rural City Council's website. I have not been engaged to report on the integrity of the Mildura Rural City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
29 September 2011


D D R Pearson
Auditor-General

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Auditing in the Public Interest

Performance Statement

Mildura Rural City Council Performance Statement for the Year Ended 30 June 2011

Notes to the Performance Statement for the year ended 30 June 2011

Council must prepare a *Performance Statement* as soon as is reasonably practicable after the end of each financial year. Under Section 132 paragraph 2(a) and 2(b), the *Performance Statement* must include the "Key Strategic Activities and performance targets and measures specified in the budget under section 127 for that financial year" and "the actual results achieved for that financial year having regard to those performance targets and measures".

This report provides the actual results achieved for 2010-2011 financial year compared with the performance targets and measures. Where Council has failed to (substantially) achieve the performance targets in relation to any Key Strategic Activity a comment is provided as to why the Activity was not achieved.

Key strategic activities For the year ending 30 June 2011				
Key Strategic Activity	Performance Measure	Performance Target	Met/Not Met	Progress/Status Comments
Liveable Community				
KRA 1.1 Community Safety Develop Community Safety Plan 2010-2015	Community Safety Plan endorsed by Council	31 December 2010	Not Met	Funds reallocated to other safety initiatives.
KRA 1.2 Community Development Conduct Well-Functioning Community Survey	Survey conducted and results reported to Council	31 December 2010	Met	The Well-functioning Community Survey was conducted in August/September 2010 with results reported in November 2010.
	Project conducted within budget	=> \$30, 000	Met	Completed within budget (\$30,000 +GST).
	Number of responses to survey	500	Not Met	405 responses received.
KRA 1.3 Community Health & Well-being Action – Implement the State Food Strategy Implement Food Premises Classification and Mandatory Reporting to Food Safety Victoria	Classification System in place	30 September 2010	Met	Classification System in place.
	Automated reporting system software implemented	30 September 2010	Met	Environmental Health Navigator (version 257) installed 9 July 2010.
KRA 1.3 Community Health & Well-being Action – Implement the Municipal Public Health and Well Being Plan 2009-2013 Compile register and monitoring of aquatic facilities	Classification System in place	30 September 2010	Met	Register developed in Environmental Health Navigator System.

Key Strategic Activity	Performance Measure	Performance Target	Met/Not Met	Progress/Status Comments
KRA 1.4 Community Services Develop a Strategy for Older People	Strategy developed (in partnership with Northern Mallee Primary Care Partnership and the Victorian State Government Department of Health) and MRCC actions endorsed by Council.	30 September 2010	Not Met	The Northern Mallee Strategy for Older People was adopted by Council on 28th April 2011.
KRA 1.5 Planning and Development Standards Amend the Mildura Planning Scheme to include the CBD plan	Amendment to planning scheme approved by the Minister	30 June 2011	Not Met	The CBD Plan was adopted by Council in December 2007 and the Mildura Planning Scheme Review Report March 2010 was adopted by Council in May 2010. Draft amendment documents have been prepared. Authorisation will be requested from the Minister under delegation in September 2011.
Management of the Environment				
KRA 2.1 Environmental Management <i>Action – Implement Greenhouse Action Plan</i> Partner with energy efficiency specialists and retailers to deliver a home audit program that provides practical advice on how to reduce home electricity	"Easing the Load" project implemented	30 June 2011	Not Met	Funding received from Sustainability Victoria. Easing The Load Project Plan developed. Internal staff training completed. Contract for tender has been signed. Project implementation commenced in August 2011.
KRA 2.2 Natural Resource Management Develop a management plan for the removal of Cumbungi	Management Plan developed and adopted by Council	30 June 2011	Not Met	GHD has been commissioned by MRCC to undertake the Cumbungi management trials at Lake Cullulleraine. Trial design completed for project. Planning permit received from Council to allow trials to proceed.
KRA 2.3 Environmental Services <i>Action – Implement Deakin Avenue Master Plan</i> Design and construct the section of Deakin Avenue between Eighth Street and Ninth Street	Design and Construction completed	30 June 2011	Not Met	Concept design of section between Seventh Street and Tenth Street completed for public exhibition in August 2011. Construction delayed due to reprioritisation of capital works budgets due to significant storm events in Feb 2011.
KRA 2.4, Assets, Infrastructure and Facilities <i>Action – Implement the Mildura Planning Scheme</i> Develop Master Plan for Mildura South Sporting Precinct and Feasibility Assessment	Master Plan design developed and adopted by Council Project completed within budget	30 June 2011 \$100, 000	Not Met	Tender process commenced but then deferred after floods in February and reallocation of funding.
Growth of the Economy				
KRA 3.1 Economic Development <i>Action – Implement Conferencing and Business Events Strategy</i> Produce Mildura Business Events Planners Guide	60 businesses linked into the program	31 December 2010	Met	Business Events Planners Guide developed (published November 2010). Over seventy businesses linked into program.
KRA 3.2 Tourism and Events Develop Events Strategic Plan	Events Strategic Plan developed and adopted by Council	30 June 2011	Not Met	Project contingent on receiving external funding.

Key Strategic Activity	Performance Measure	Performance Target	Met/Not Met	Progress/Status Comments
Active Community				
KRA 4.1 Arts & Cultural Heritage Action – Implement adopted Arts Feasibility Precinct Recommendations Implement Phase 3 (pre construction works) of Mildura Arts Theatre Redevelopment project	Pre-construction works completed	30 June 2011	Met	Pre-construction works completed prior to June 30 2011, and main construction phase has since commenced in June 2011.
KRA 4.2 Recreation & Sport Action – Implement Recreation Strategy 2008-2018 Develop Funding of Infrastructure on Non-council Owned Land Policy and Operational Support to Non-Council Owned/Managed Facilities Policy	Policies developed and adopted by Council	30 June 2011	Not Met	Recreation Reserve Operational Assistance Subsidy Scheme Policy (OP-074) reviewed and approved in May 2011. Funding for Recreation Infrastructure Policy to be developed in 2011/12 in accordance with Recreation Strategy.
Management of Resources				
KRA 5.1 Leadership & Representation Advocate for the return of rail	Renewal of commitment to return passenger rail service to Mildura	Prior to the State election November 2010	Not Met	Rail Submission forwarded 11 March 2011. With Murray River Group of Councils met with Minister for Transport 2 June 2011
KRA 5.2 Communication & Consultation Develop a Strategic Marketing Plan 2010 to 2014	Plan developed and endorsed by CMT	30 September 2010	Not Met	Action deferred to 2011-2012
KRA 5.3 Customer Service Action – Implement Customer Service Strategy Continue the development of Service Level Agreements for key processes with internal service units	12 key processes developed and signed off by both provider and customer	30 June 2011	Not Met	On hold pending review of Customer Service Strategy.
KRA 5.4 Financial Sustainability Review Strategic Financial Plan Annually	Plan presented to Council	30 June 2011	Met	Councils Strategic Financial Plan was reviewed and presented to Council on 4 April 2011.
KRA 5.5 Organisational Management Action: Implement Occupational Health & Safety Strategy 2009-2013 Implement recommendations from audit against AS4801	100% of actions prioritised for 2010-2011 completed	30 June 2011	Not Met	Not all actions have been completed

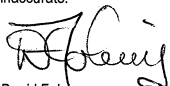
Mildura Rural City Council
2010/2011 Financial Report

Certification of the Performance Statement

In our opinion the accompanying performance statements of the Mildura Rural City Council in respect of 2010-2011 financial year is presented fairly in accordance with the *Local Government Act 1989*.

This statement outlines the performance targets and measures set out in relation to the achievement of the Key Strategic Activities in respect of that year described in the Council's 2010-2011 Annual Budget and described the extent to which activities have been met in that year having regards to those targets and measure.

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

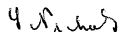


David Folvig

Principal Accounting Officer

Date : 29 September 2011
Mildura

We have been authorised by the Council on 29 September 2011 to certify the performance statement in their final form on behalf of the Council.



Cr Susan Nichols
Councillor

Date : 29 September 2011
Mildura



Cr Glenn Milne
Councillor

Date : 29 September 2011
Mildura



Mark Henderson
Chief Executive Officer

Date : 29 September 2011
Mildura



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Mildura Rural City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2011 of the Mildura Rural City Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Mildura Rural City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Independence

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

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Auditing in the Public Interest



Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Auditor's Opinion

In my opinion, the performance statement of the Mildura Rural City Council in respect of the 30 June 2011 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Mildura Rural City Council for the year ended 30 June 2011 included both in the Mildura Rural City Council's annual report and on the website. The Councillors of the Mildura Rural City Council are responsible for the integrity of the Mildura Rural City Council's website. I have not been engaged to report on the integrity of the Mildura Rural City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
29 September 2011

A handwritten signature in black ink, appearing to read "D D R Pearson".

D D R Pearson
Auditor-General

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Auditing in the Public Interest