

# Annual Report

2019-2020



Mildura Rural City Council

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# Acknowledgement of Country

Council acknowledges the traditional custodians of the land comprising the Mildura Rural City Council area, and those of our neighbouring municipalities. We pay our respects to Elders past and present, and celebrate and respect their continuing culture and connection to the land.

## Part 1: Report of Operations



# Introduction

## Welcome to the Report of Operations 2019-2020

As a Council, we are committed to transparent reporting and accountability to our community and the Report of Operations 2019–2020 is the primary means of advising the Mildura Rural City Council community about our operations and performance during the financial year.

## Snapshot of Mildura Rural City Council

Demographic profile\*:

- Land area: 22,330km<sup>2</sup>
- Major townships: Mildura, Irymple, Red Cliffs and Merbein
- Other rural townships: Ouyen, Meringur, Werrimull, Cullulleraine, Cardross, Nangiloc, Colignan, Murrayville, Nichols Point, Cowangie, Underbool and Walpeup
- Estimated resident population: 55,777
- Estimated Mildura population: 32,738
- Estimated Indigenous population: 2,519
- The majority of the Mildura region's population were born in Australia (77 per cent), 1.5 per cent were born in England, 1.2 per cent in Italy, 0.9 per cent in India, 0.9 per cent in New Zealand and 0.8 per cent in Afghanistan.
- Level above sea level: 50m
- Climate: Dry summers and mild winters
- Key industries: Dryland farming, irrigated horticulture (table grapes, wine grapes, dried grapes, citrus, vegetables and nuts), tourism, food and beverage manufacturing, transport and logistics, retail, health and community services
- Emerging industries: Renewable energy generation, aquaculture, mineral sands mining and recycling

*\* Source: Figures based on 2020 update to Australian Bureau of Statistics data.*

Our Vision – To be the most liveable, people friendly community in Australia.

- Values:
  1. Respect - We will be respectful towards others and value differences.
  2. Honesty - We will be ethical and open.
  3. Integrity - We will be reliable and trustworthy in all that we do.
  4. Transparency - We will be objective and fair in our communications and decisions.
  5. Accountability - We will be consistent and responsible for our actions.

- Business Excellence Principles:
  1. Leadership - By providing clear direction through strategies and plans, Council will achieve agreed outcomes for our community.
  2. Customers - Council is here to provide services to the whole municipality and therefore our community should have a say in what we do and how we do it.
  3. Systems Thinking - Council recognises that achieving excellent outcomes for our community is done through all parts of the organisation working together effectively and with other levels of government and the wider community.
  4. People - By involving and developing people, Council enhances commitment, performance and working relationships to improve organisational outcomes.
  5. Continuous Improvement - To remain relevant and capable of producing excellent results, our organisation needs to continually learn and adapt.
  6. Information and Knowledge - Council will make the best quality decisions when effort is spent to collect and present all objective relevant data and information.
  7. Variation - By addressing the underlying factors that cause our processes to deliver inconsistent or unpredictable outcomes (variation), Council's customers will receive the highest standard of service.
  8. Corporate and Social Responsibility – Council will manage its operations to comply with law and ethical standards and to produce an overall positive impact on the community.
  9. Sustainable Results - To deliver sustainable results, Council must have a culture that promotes accountability through all levels of the organisation.

#### Fast facts:

- 66 groups assisted by annual community grants totalling \$344,044.63 (GST exclusive)
- 1,049km of local sealed roads maintained
- 4,116km of unsealed local roads maintained
- 29,688 rateable properties comprised of 23,864 residential, 2,409 business, 1,547 dryland farming, 1,783 irrigated farming and 85 cultural and recreation properties
- 1,085 applications received for 104 recruitment processes
- 36,127 hours of aged and disability care support provided
- 309,321 attendees at aquatic facilities
- 273,815 library items borrowed
- 64,402 calls answered by the customer service call centre
- 593 planning applications received
- 986 building permits issued for building works totalling \$174,224,004
- 26,206 rubbish bins collected each week
- 25,993 recycling bins collected each fortnight
- 31 recreation reserves maintained

- 26 school crossings supervised
- 172,088 aeroplane passengers
- 592kW solar PV panels installed on Mildura Rural City Council buildings
- 281kW solar PV panels installed on seven commercial properties through Environmental Upgrade Agreements

## Highlights of the Year

See section on Our Performance for more details.

### Strategic Objective 1: Community

We will create a safe, supportive place to live, where diversity and lifestyle opportunities are encouraged.

Achievements:

- Hosted a series of information sessions in July and August 2019 to help Sunraysia residents connect with the support they need under the National Disability Insurance Scheme.
- Showcased the National Gallery of Australia's biggest survey of Australian Indigenous artwork in July 2019 when *Defying Empire: 3<sup>rd</sup> National Indigenous Art Triennial* opened locally at the Mildura Arts Centre on 26 July 2019.
- Featured a free floor talk from Mildura Hazara community leader Zia Ibrahimi, who shared his experiences of escaping from the Taliban and Afghanistan to settle in Mildura, as part of the hugely successful *Making Home: Mildura Migration Stories* exhibition at the Mildura Arts Centre.
- Hosted a performance from world-renowned classical guitarists, the Grigoryan Brothers, at the Mildura Arts Centre on 17 August 2020.
- Building on the success of previous years, hosted the Youth Expo on 23 August 2019 featuring a diverse range of displays and information stalls from local agencies and service providers, showcasing career opportunities, training providers, sport and recreation activities and potential volunteering opportunities available for the youth in our region.
- Launched a new program—the Mildura Rural City Council Youth Leadership Program 2020—created by our Youth Services team to help young people in our region aged 16 to 25 to develop leadership skills and talents that will benefit them for the rest of their lives.
- Jointly funded with a Victorian Government contribution of \$500,000 through the Female Friendly Facilities Fund 2018-2019, an in-kind contribution from the Merbein Football Netball Club of \$75,000 and an additional \$75,000 via the AFL, in addition to Council's contribution of \$851,000, completed construction of new state-of-the-art change room facilities at Kenny Park in August 2019.
- Endorsed the Ouyen Community Plan 2019–2024.
- Endorsed a Community Plan Support Fund application submitted by Ouyen Inc. for funding of \$14,220 to engage a consultant to develop a business plan for the Ouyen Community Gym.
- A team of Council staff participated in the City-Bay Fun Run in September 2019 to help raise the profile of White Ribbon and continue to spread the message that men's violence against women is simply not on, and must be stopped.

- Engaged Fadak Alfayadh, a dynamic Melbourne-based community lawyer, writer and advocate, who has spoken across the country and internationally on topics including gender equality, refugees and asylum seekers, migrants and immigration, diversity, identity and belonging, and feminist issues, to speak prior to and lead Council's annual *Walk Against Family Violence* on 22 November 2019.
- Showed our support in a visible way for Dementia Action Week in September 2019 by lighting up a tree at the entrance to the Mildura Arts Centre and calling on residents to fill out a quick survey to help provide Dementia Australia with a better understanding of how discrimination for people living with dementia occurs and what is needed to change this behaviour.
- As a key highlight of the Mildura Senior's Festival 2019, featured *Cheek to Cheek – A Tribute to Fred Astaire and Ginger Rogers*, Hollywood's most iconic song and dance partnership, at the Mildura Arts Centre on 10 October 2019.
- Targeted at our region's older residents, held a free *Staying Mobile and Independent* forum on 24 October 2019 to provide Sunraysia residents with all the information they need to stay mobile and maintain their independence for as long as possible.
- Ran a series of free seminars in October 2019 to provide the public with important information on working safely around power lines.
- Kicked off the fifth season of Twilight at the Mildura Arts Centre on 18 October 2019 with a stellar performance from *With One Voice Mildura*.
- Held a free community event at Blackburn Park, Ouyen, on 25 October 2019 to celebrate National Children's Week.
- Celebrated a century of Australian film-making's biggest and most iconic moments with the launch of *Starstruck: On Location* at the Mildura Arts Centre on 18 October 2019.
- Celebrated 40 years of Council's Family Day Care Service with a free community event on 30 October 2019 that provided the community with the opportunity to learn more about the service.
- Following formal market testing of the design and subsequent revision of the scope and design, in October 2019 endorsed an amended scope for Stage One of the Mildura South Regional Sporting Precinct and an additional Council funding contribution of around \$1.47 million to enable the Sporting Precinct to function as a premier facility that meets the needs of the community.
- Adopted the Mildura Rural City Council Heat Health Plan 2019, developed to ensure we and responsible agencies are able to prepare for and respond to heat health events efficiently and effectively.
- Hosted two free community workshops in November 2019, led by clinical psychologist Kate French, to assist parents or guardians of children on the autism spectrum to understand challenging behaviours and better support their children.
- Held a Sunraysia Sporting Equity Breakfast on 15 November 2019 featuring keynote speakers to raise awareness about gender equity in sporting.
- Following the release of the Victorian Ombudsman's *Investigation into improper conduct by a Council employee at the Mildura Cemetery Trust* report in November 2019, Council publicly announced its intention to work with the Mildura Cemetery Trust to enact all of the recommendations in the report.

- Adopted the Henshilwood Recreation Reserve Master Plan Review 2019, which includes new actions for the Henshilwood Recreation Reserve designed to meet the changing needs and demands from the regular user groups of the facility.
- Held two community sessions in January 2020 to provide information to help local groups, individuals or organisations to apply for funding under the next round of our grants program, which included the following categories: Arts Development; Events Funding and Support; Recreation Development; Recreation Facilities Upgrade; Community Partnerships.
- Presented nine recipients with Recreation Development Grants totalling \$8,936 and 13 recipients with Recreation Facilities Upgrade Grants totalling \$75,945 to undertake a broad range of small to medium projects.
- Presented 15 local not-for-profit organisations and groups with Community Project Grants totalling \$84,328.20 to deliver innovative projects, or service enhancements, which target recognised high-need groups in our community and meet the goals of Council's Community and Council Plan.
- Adopted the Mildura Public Toilet Strategy 2019-2029, which provides a framework for improving the quality and standard of public toilets across the municipality.
- At the Australia Day Awards Ceremony in 2020, saw 40 residents become our region's newest Australian citizens and awarded Citizen of the Year to Peter Willersdorf, Young Citizen of the Year to Genevieve Pragt and Community Event or Project of the Year to the Willowfest Veterans Cricket Championships.
- Started work in February 2020 on a \$720,000 project to upgrade the family, women's and men's change rooms at the Mildura Waves facility.
- Ran a three-month free community program of Pop-Up Outdoor Cinema screenings between February and April 2020.
- Hosted a performance by Keith Potger, co-founding member and guitarist with internationally-famous Australian pop act The Seekers, at Ouyen's Roxy Theatre on 7 March 2020.
- Activated our Communicable Disease Pandemic Plan, which addresses general pandemic planning, and provides Council resources to the Department of Health and Human Services, state and federal authorities and the wider Mildura community, in March 2020 in response to the COVID-19 pandemic.
- To comply with government restrictions introduced as a result of the COVID-19 pandemic, in March 2020 publicly announced the cancellation of a number of our programs (eg Youth Services April School Holiday Program and performances at the Mildura Arts Centre) and the adaption of face-to-face services to remote means, where possible.

- To ensure members of our libraries were still able to access library services while the libraries were closed due to the COVID-19 pandemic, in May 2020, introduced a raft of innovative online options, including an online catalogue allowing items to be reserved plus a service providing delivery of these items to residents' homes, and Freegal, a new service allowing library members to access up to three hours of free streaming music each day.
- To ensure our community's most vulnerable had access to the vaccine first in the face of the COVID-19 pandemic, held two free influenza vaccination clinics in April 2020 for people aged 65 and over, pregnant women, and children aged from six months to under five-years-old.
- In April 2020, announced the establishment of a Community Relief Service to support our community through the COVID-19 pandemic with information and referral services, including access to food parcels, assistance with grocery shopping and help with collecting prescriptions or medicine for those who were isolated or experiencing hardship.
- Ran a photo competition to raise awareness and understanding about National Sorry Day and Australia's Stolen Generations.
- Adopted the Raffles, Door Knocks & Community Events Signboard Policy, updated to include minor changes to policy definitions.
- Representing the biggest improvement to library services for communities along the Mallee Track and the Millewa in more than a decade, completed construction of the new Murrayville Library building in Pioneer Park in May 2020.
- In the face of COVID-19 restrictions, marked International Day Against Homophobia, Biphobia, Interphobia and Transphobia 2020 in May 2020 with social media messaging and a video blog highlighting the importance of reducing the prevalence of Homophobia, Biphobia, Interphobia and Transphobia. Pride flags were also raised at our Madden Avenue offices.
- In May 2020, announced a pledge by the Mildura Netball Association, Sunraysia Football Netball League and South Mildura Sporting Club of \$365,000 towards the construction of four outdoor netball courts at the Mildura South Regional Sporting Precinct.
- Launched the Mildura Arts Centre's new Artist Directory, which provides a resource for people looking for a visual or performing artist to create a mural, host a workshop or perform at an event.
- Launched the Mildura Arts Centre Backstage Pass, a new online live music streaming event providing an outlet for local musicians to continue performing live music, despite the impacts of the COVID-19 pandemic on local venues.
- Welcomed a \$5 million commitment from the Victorian Government in May 2020 for Stage 1a of the Village Square, which will be a focal point for the second stage of our riverfront redevelopment.
- As part of an ongoing effort to help clients maintain their independence and reduce social isolation following the suspension of our regular Planned Activity Group Program due to the COVID-19 pandemic, our Aged and Disability Services Team introduced a one-on-one exercise program.

- Following the easing of Victorian Government COVID-19 restrictions that forced their closure more than two months prior, on 2 June 2020 reopened three of our key community facilities - the Mildura Library, Mildura Visitor Information and Booking Centre and Mildura Arts Centre.
- Recognised 12 young Sunraysia artists for their creativity and talents in drawing, painting, photography and graphic design as recipients of Mildura Rural City Council's FReeZA Youth Art Prize 2020.
- Achieved state-wide recognition for advancing reconciliation with receipt of the prestigious Reconciliation Victoria Helping Achieve Reconciliation Together Award for Mildura's NAIDOC Corroboree 2019.
- Adopted the Infringement Notice Review Policy, updated to include minor changes to ensure compliance with the *Infringement Act 2006*.
- Hosted free New Year's Eve celebrations for the community, with a packed program of entertainment, at Nowingi Place on 31 December 2019.

## **Strategic Objective 2: Environment**

We will create and promote sustainable natural and built environments.

Achievements:

- Encouraged Sunraysia residents to join us as we participated in the global Plastic Free July Challenge for the second year, which involved our staff avoiding the use of single-use plastic on 22 July 2019.
- As part of works to improve landscaping in the Mildura Marina precinct, replaced 34 trees on Dockside Drive that were causing access problems for vehicles with a more suitable species for the roadside location.
- Ran an online survey and two workshops in Mildura during August 2020 to provide individuals, community groups, businesses, industry and other stakeholders in the Loddon Mallee region the opportunity to have their say on the future of renewable energy in our region as part of the Loddon Mallee Renewable Energy Roadmap (LMRER) project.
- Commenced work on 5 August 2019 on a new project designed to make Red Cliffs' popular Barclay Square both safer and more attractive with replacement of the existing, ageing paved pathways with new durable pebblecrete paths capable of coping with both maintenance vehicles and heavy vehicle traffic within the park.
- Adopted the Mildura Municipal Heritage Strategy 2019-2023.
- Ran a Weed Education Stall at the Sunraysia Farmers Market, providing advice and demonstrations to the community on how to control weeds without using any toxic chemicals.
- As part of the Western Division of Councils, resolved to support a motion to be presented to the Murray Darling Association for the Menindee Lakes or a portion of the Lakes system to be listed as a Ramsar site, in consultation with the community.
- Provided a significant boost to pedestrian and cyclist safety with the installation of a new roundabout and five pedestrian crossings at key points in the busy Ontario Avenue medical precinct.



- Led the way with our Environmental Upgrade Agreements program with the installation of 280 kilowatts of solar panels on commercial and agricultural properties within the municipality (in October 2019).
- To give local businesses a helping hand during the COVID-19 pandemic, worked with Better Building Finance and Sustainable Australia Fund to provide special terms for local businesses settling Environmental Upgrade Agreements before the end of June 2020. These terms included no application fees, allowing GST to be financed and claimed back on BAS statements, a repayment holiday (subject to approval) of up to six months and allowing applicants to claim 100 per cent tax write-off on the asset.
- To gain a greater appreciation of the birdlife in our region and help contribute to a national birdlife database, encouraged Sunraysia bird-lovers to join us in our own bird count event held as part of the national Aussie Backyard Bird Count on 27 October 2019.
- Held an open day at the Mildura Eco Village on 17 November 2019 to showcase the facilities available and provide the opportunity for the community to come together and share ideas about sustainable and healthy living.
- Released our organisation's Environmental Sustainability Report 2018-2019, showing a seven per cent decrease in our organisation's fuel consumption and an 11 percent drop in electricity consumption at our large market electricity sites, which include the Alfred Deakin Centre, Madden Avenue Service Centre, Deakin Avenue Service Centre, Mildura Arts Centre and Red Cliffs Depot, when compared with the previous financial year.
- Presented six local not-for-profit organisations and groups with Environmental Project Grants totalling \$19,218 to assist them with implementing innovative environmental projects in our municipality that meet the goals of the Community and Council Plan.
- Endorsed the Mildura Riverfront Boating Precinct Master Plan, providing strategic direction for the future development of boating, parking and access throughout the riverfront boating precinct.
- Approved an application from the Murrayville Landcare Group for Part A Community Plan Support funding of \$25,875 to engage a consultant to complete geotechnical and design specifications for the Murrayville wetlands.
- In January 2020, formally declared the ongoing sand drift road conditions of the Millewa-Carwarp district as an emergency within the meaning of the procurement provisions of the *Local Government Act* and moved more than 12,500 cubic metres, or the equivalent of 550 semi-trailer loads of sand, to enable emergency road reconstruction works to be undertaken.
- Following funding from the Federal Government's Drought Communities Program last year, and after a presentation to the community for finalisation, Council approved three projects from the Drought Community Reserve at an estimated total cost of \$1.07 million: Lake Cullulleraine Foreshore amenities in the Millewa area; Millewa Resource Centre upgrade; Cullulleraine Community Complex and Netball Court.
- From February 2020, Council staff attended market stalls and other major public events in the region to answer any questions and provide information on the new three-bin system prior to commencement of the service on 6 July 2020.
- Ahead of the commencement of the new three-bin service on 6 July 2020, made braille stickers available free-of-charge on request to help people who are blind or have low vision more easily identify each of their bins.

- Adopted the Kerbside Bin Services Policy and Guidelines, updated to reflect changes to waste management services, including the introduction of the new kerbside organics collection service.
- Adopted a *Call for Action on the Murray-Darling Basin* position paper as the key reference to advocate on behalf of the community for improved management of the Murray-Darling Basin.
- Held four community consultation sessions held across the municipality in March 2020 to allow Sunraysia residents to provide input into how signage at the entrances to our towns should look.
- Coordinated a successful community *Clean Up Australia Day* event on 1 March 2020, which focused on the area between the Mildura Station Homestead and Apex Park.
- Adopted a new Mooring Policy to provide an integrated approach to mooring management by local and state government agencies while ensuring the continued health and sustainability of the river.
- Together with the Central Victorian Greenhouse Alliance, presented two free webinars in May 2020 to help residents reduce their energy bills amid the COVID-19 pandemic.
- Endorsed the Significant Tree Register 2020, which identifies significant trees on Council land requiring protection for the ongoing benefit of our community.
- Ran a Cloth Nappies 101 online workshop in June 2020 for current and expectant parents interested in learning about the financial and environmental benefits of cloth nappies.
- Adopted the CBD Plan 2020-2035, which provides a framework for responding proactively to emerging social, economic and environmental trends and encouraging new development that builds on the best Mildura has to offer.
- Adopted the Asset Management Strategy 2020, which provides strategic direction on the development and refinement of our organisation's Asset Management Framework, systems and practices.

### **Strategic Objective 3: Economy**

We will encourage diverse and sustainable economic development that provides growth in jobs, investment and quality of life.

Achievements:

- Providing a welcome boost to our local economy, hosted more than 100 players who travelled to the Mildura region to participate in the (July) 2019 Victorian U18 State Winter Championships, plus a whole host of first-time visitors to our region.
- Held a free community paddleboat ride and BBQ event on 15 September 2019 to celebrate the completion of a new Mildura riverfront walking path between the Mildura Marina and Apex Park and major refurbishment works to bring the Mildura Wharf and Homestead Wharf structures back to their former glory for the enjoyment of residents and visitors for decades to come.
- Supported the launch of the Central Murray Regional Transport Strategy 2019, which highlights key transport needs and challenges in the Sunraysia, Murray and Mallee regions on both sides of the Murray River and identifies 15 key projects to address these needs and challenges.
- In November 2019, approved the application of \$670,000 in Victorian Government drought relief funding directly to 253 Millewa-Carwarp drought-stricken farmers' broad acre dryland farm rate assessments before the end of the year.
- Endorsed the Events Strategy 2020-2025, which aims to position the Mildura region as a major events destination with a vibrant year-round calendar of events.
- Adopted the Events Funding and Support Policy, updated to align with the objectives of the Event Strategy 2020-2025.
- Adopted the Chaffey Trail Strategy and Action Plan 2019-2023 to provide direction for the education, management and preservation of Chaffey Trail Sites within our municipality, as well as the promotion of the sites as a key historical tourism product for visitors.
- Called for local venue owners, caterers and support services to supply their details for inclusion free-of-charge in the Mildura Business Events Planners Guide 2020-2021, set to be released in July 2020, to promote our region as the ideal destination to host conferences, business events and corporate retreats.
- Adopted the Mildura Rural City Council and Mildura City Heart Incorporated Memorandum of Understanding 2019–2024, which outlines the roles and responsibilities of both parties; Mildura City Heart Incorporated being tasked with managing the special rate funds Council collects.
- Endorsed the Mildura City Heart Incorporated Strategic Plan 2019-2024.
- Endorsed the Half-Yearly Report on the Mildura City Heart Incorporated Annual Business Plan 2019-2020.
- In April 2020, approved and promoted a package of measures, which included flexible rate payment plans, flexible options for payment of leases, permits and other Council fees, and options to defer animal registration payments, to provide financial relief to those hit hardest by the COVID-19 pandemic.

- Approved a grant application totalling \$3,792 through the February 2020 round of the Events Funding and Support Grants to enable Arts Mildura Inc to host the Mildura Writer's Festival 2020.
- Presented four local community groups Arts Development Grants totalling \$6,380 to enable them to participate in and experience the arts, be it performing or visual arts.
- Presented 17 local sport and recreation groups Recreation Grants totalling \$144,444.70 to enable them to maintain and develop their facilities and to develop the programs and opportunities they offer to the community.
- In May 2020, due to a significant decrease in revenue for the Mildura Airport Pty Ltd as a result of the impact of COVID-19 on the airline industry, resolved to provide financial assistance to the Mildura Airport Pty Ltd, which included deferral of the Mildura Airport loan and interest repayments for a period of six months and deferral of payment of the Mildura Airport's fourth-quarter rates instalment through to 30 June 2020.
- Secured a grant of more than \$520,000 through the Victorian Government's Working for Victoria Program and provided Sunraysia residents looking for work with the opportunity to apply for any of the 14 new full-time equivalent positions for six months aimed at supporting the government's COVID-19 response in our region.
- Endorsed the Mildura Regional Development Annual Business Plan 2020–2021.
- Mildura Regional Development attracted the 'Sunrise' morning television show to feature Mildura as the letter M in their virtual A-Z tour of Australia.
- Mildura Regional Development launched the #Forkitlocal campaign to support local food outlets to recover from the restrictions of trade imposed by the COVID-19 pandemic.
- Mildura Regional Development completed preliminary work for a Business Case in support of the Ouyen Intermodal Project
- Mildura Regional Development undertook a website upgrade for the Visit Mildura brand.
- Mildura Airport Pty Ltd implemented the following improvements at the Mildura Airport:
  - Upgraded all security screening equipment and added body scanning
  - Installed a new aviation fuel depot and refuelling station
  - Expanded light aircraft parking aprons
  - Introduced a new Flight Information Display System
  - Upgraded airfield signage and emergency lighting
  - Commenced the new Airport Safety and Operations Forum
  - Announced the intention to introduce a new Mildura to Sydney route operated by Qantas.

## Strategic Objective 4: Council

We will manage resources in a sustainable manner to provide services that are relevant, of a high standard and respond to identified community needs.

### Achievements:

- Received Mildura Rural City Council's Annual Local Government Community Satisfaction Survey results for 2019, noting a two point increase from 2018 in the Advocacy (lobbying on behalf of the community) category.
- Adopted the Use of Common Seal Policy, updated to include minor amendments relating to the use of the seal on electronic documents.
- Adopted the Privacy and Data Protection Policy, updated to include changes to ensure compliance with the *Health Records Act 2001*.
- Adopted the Election Period Policy, updated to include changes that clarify a number of previously unaddressed issues in the policy.
- Adopted the Acting Chief Executive Officer Appointment Policy, updated to include minor changes.
- Adopted the Council Agenda Policy, updated to include minor changes.
- Adopted the Investment Policy, updated to include minor changes to the policy's principles and definitions.
- To help ease the financial burden of COVID-19 on residents and businesses, broadened and simplified our Financial Hardship Policy to include provision for those experiencing financial hardship to apply for flexible options for the payment of rates, leases, permits and other Council fees, and the deferral of animal registration payments.
- Readopted the Conflict of Interest Policy, Street Numbering Policy, Council Representation on Advisory Committees and External Organisations Policy and the Procurement of Goods, Services and Works Policy (all unchanged) as part of each policy's review process.
- Welcomed Sarah Philpott as our new CEO on 5 August 2019.
- Endorsed a proposed joint submission on behalf of the Loddon Mallee Group of Councils into the Royal Commission into Aged Care Quality and Safety.
- Administered by a network of Australian Taxation Office-trained community volunteers, ran the Tax Help program from our Deakin Avenue Service Centre, providing assistance to people who earned around \$60,000 or less in the last financial year to complete their tax returns.
- Endorsed the Community Engagement Strategy 2020-2024, inclusive of fresh ideas and innovative approaches to boost the quality of our efforts to engage with the community and other stakeholders.
- To respond to priorities and needs resulting from the impact of dry seasonal or drought conditions on the Millewa–Carwarp community, in January 2020 endorsed 11 Drought Community Reserve projects to the value of \$3.44 million for presentation to the community for finalisation.

- To ensure compliance with changes to the *Public Interest Disclosures Act 2012* and its associated Regulations, adopted a new Public Interest Disclosure Policy.
- In response to the Victorian Ombudsman's '*Investigation into Improper Conduct by a Council Employee at the Mildura Cemetery Trust*' report, resolved, subject to agreement from the relevant state government Ministers and Departments, to modify the current Mildura Cemetery Trust governance arrangements to include all nine Mildura Councillors as of the next General Election in October 2020, and operational arrangements to support cemetery staffing increases and property plant and equipment improvements.
- Promoted a free online workshop conducted by the Victorian Local Governance Association on 14 May 2020 for residents across the municipality considering standing as a candidate in the General Council Election 2020.

## Challenges and Future Outlook

### Challenges

In general:

- Geographical size and remoteness of our municipality presents ongoing challenges to the cost of providing services and infrastructure
- Ageing infrastructure that requires significant maintenance and re-investment
- Ageing population placing increased demands on services
- Level of social disadvantage
- Legislative change from other levels of government
- Cost shifting from other levels of government
- Impact of COVID-19 on social and economic wellbeing of the community, as well as restrictions on Council's service delivery and revenue streams
- Impact of drought on roads infrastructure, requiring additional capital works

### The Future

- Work within the Victorian Government Rate Capping Framework
- Commence work on a new Community and Council Plan to guide the coming years
- Develop a long-term strategy for the management of waste
- Continue to roll out organisational sustainability reviews
- Asset renewal
- Increase community awareness of our services
- Local government elections and induction for Councillors, including mandatory training
- Reform of the *Local Government Act*
- Continue to roll out the Mildura Riverfront Precinct Redevelopment and Mildura South Regional Sporting Precinct projects
- Constrained capacity to provide matching funding for major project development

# The Year in Review

## CEO's Message

On behalf of Mildura Rural City Council, it is my great pleasure to present our Annual Report for the year 2019–2020. The Chief Executive's Office is responsible for:

- Establishing and maintaining an appropriate organisational structure for the Council
- Ensuring that the decisions of the Council are implemented without undue delay
- The day to day management of the Council's operations in accordance with the Community and Council Plan
- Developing, adopting and disseminating a code of conduct for Council staff
- Providing timely advice to the Council
- Carrying out the Council's responsibilities as a deemed employer with respect to Councillors, as deemed workers, which arise under or with respect to the *Accident Compensation Act 1985* or the *Workplace Injury Rehabilitation and Compensation Act 2013*.

## Highlights

This has been a challenging year for our community, but as this Annual Report highlights, those challenges haven't stopped our community and Council achieving great things over the past 12 months.

The global COVID-19 pandemic has certainly impacted on our community in the first six months of 2020. Many businesses have experienced temporary closures or restrictions, and individuals have lost work. And the impact goes further, as community members have been isolated, unable to participate in sport, schooling or other activities that are all about connection. Council established a Community Relief Service that has supported people who have been impacted by COVID-19 with food relief, essential supplies, connecting residents and businesses to other service providers, and advocacy where needed. Council also implemented an initial round of support measures to provide some immediate relief for those experiencing financial hardship. These measures include deferring fourth quarter rate payments and waiving several fees and lease costs. Budget discussions for 2020-2021 also centred on the provision of a community relief and recovery fund to ensure that Council could provide supports for those most impacted by this pandemic.

We have worked closely with key agencies, establishing a Pandemic Executive Committee to guide and link local responses. My thanks to the agency leaders on this group – I believe we have been better able to consider our responses and put a sharp focus on how this pandemic is impacting on our local community because of this work. Work on both shorter term relief and response and longer term recovery continues, again with multiple agencies focused on social and economic outcomes.



Other residents in our community have been impacted by drought, particularly dryland farmers in the Millewa Carwarp area. The Victorian Government provided \$670,000 towards drought assistance via Council, which was used to offset rates for identified properties. In addition, Council was supported by \$1 million in Australian Government Drought Communities Program funding for infrastructure projects across the municipality. Council put aside the equivalent \$1 million to create a drought reserve fund. This fund was directed towards three projects to support the community, selected by Millewa Carwarp residents. The drought in this area has also led to significant impacts on the road network as a result of sand drift, and Council has been working on a major capital works program to address this.

While these situations have been difficult for our community, there have been some great achievements this year. We have seen significant progress on key projects within the Mildura Future Ready advocacy and funding strategy. This strategy has the clear intention of making a long term difference through diversifying our economy, providing jobs, and long terms assets that build community wellbeing. Progress on the Mildura South Regional Sporting Precinct is a prime example. It is very exciting to see Stage 1 of this project come out of the ground with the 'first sod' turned in October 2019. We have seen demolition and site preparation works, along with footings, in ground services, steel framework and work on the sporting oval. This project is a true collaboration, with significant funding provided by the Australian Government and Council, with contributions from the Victorian Government and sporting associations and groups. Council continues to advocate for additional Victorian Government funding to enable Stage 2 to progress.

Council has been proud to once again partner with a host of dedicated community groups, clubs and organisations over the past 12 months as part of our grants program. We know that working together and supporting these terrific organisations achieves positive outcomes for our community.

We have put a significant emphasis on capital works delivery this year. Council has many assets that it holds on behalf of the community, everything from roads to stormwater pipes, pavements to community buildings. We are focusing on maintenance of these assets to make sure they can continue to provide benefit to the community now and in the longer term.

We've also been active over the past 12 months to ensure our region's voice is heard on several water security issues important to residents in our community. Other important environmental outcomes include significant investment in solar on our own buildings, as well as supporting the installation of solar infrastructure for businesses through Environmental Upgrade Agreements.

Throughout the year, preparations have continued on the introduction of our Food and Garden Organics service, which will see significant diversion of green waste away from landfill.

### **Organisational Performance**

At the end of June 2020, Council's financial position remains strong with more than \$846.63 million of community assets under Council's stewardship.

Operating expenditure for 2019-2020 was 4.95 per cent below the Annual Budget adopted in June 2019. Council's operating income was 3.40 per cent above the Annual Budget.

While Council's finances have been impacted by the COVID-19 pandemic, it is difficult to predict the ongoing and longer-term impacts given the current uncertainty.

### **Thankyou**

I would like to take the opportunity to acknowledge the leadership of Councillors, local advisory, business and community groups, and the Mildura Rural City Council staff. Everyone plays a role in delivering the numerous successful projects, plans and strategies over the past 12 months. And while we have faced some immense challenges, what has impressed me in my 12 months here is how resilient this community is, and that there is a strong sense of connection and courage that sits at the heart of this place.

Sarah Philpott  
Chief Executive Officer

## Financial Summary

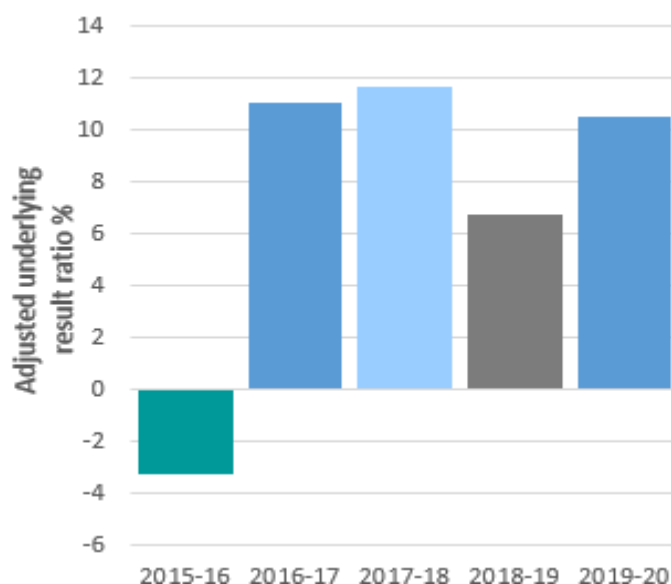
In March 2020, COVID-19 was declared a world-wide pandemic. This has led to a reduction in our income and expenditure in some areas. However, overall there has not been a significant impact to our Financial Statements for the financial year ended 30 June 2020. Council's financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to financial performance is included within the Financial Statements and Performance Statement sections of this Annual Report.

### Operating Position

We achieved a surplus of \$18.12 million in 2019-2020. This compares with a surplus of \$17.69 million in 2018-2019.

A surplus means that we spent less than the income we received. Our surplus is due mostly to the receipt of capital funding.

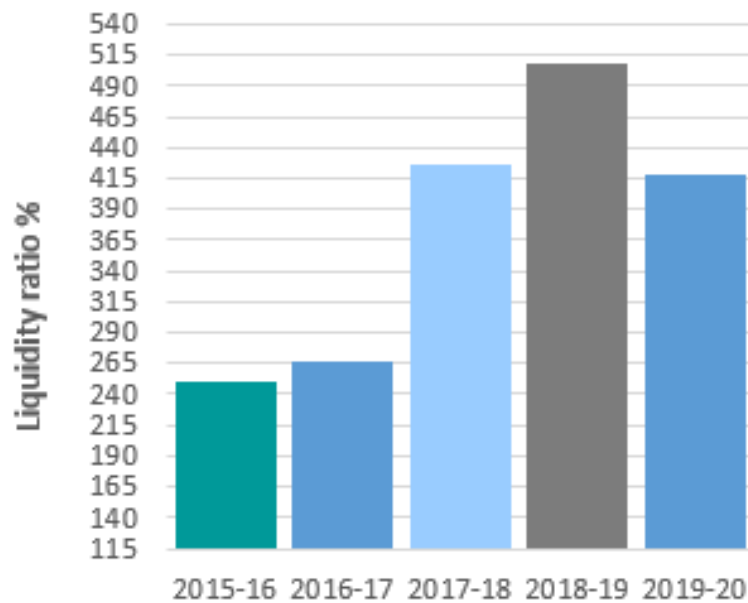
Surplus funds are important to ensure Council remains in a sound financial position. It must also be noted that Council requires such funds to cover both statutory and discretionary reserves. Typically these reserves are required to fund things that are difficult to predict or time. For example, strategic land acquisitions or developer contribution plans. Mildura Rural City Council also covers an area approximately 10 per cent of Victoria in size and has many assets and community services to provide to the community.



### Liquidity

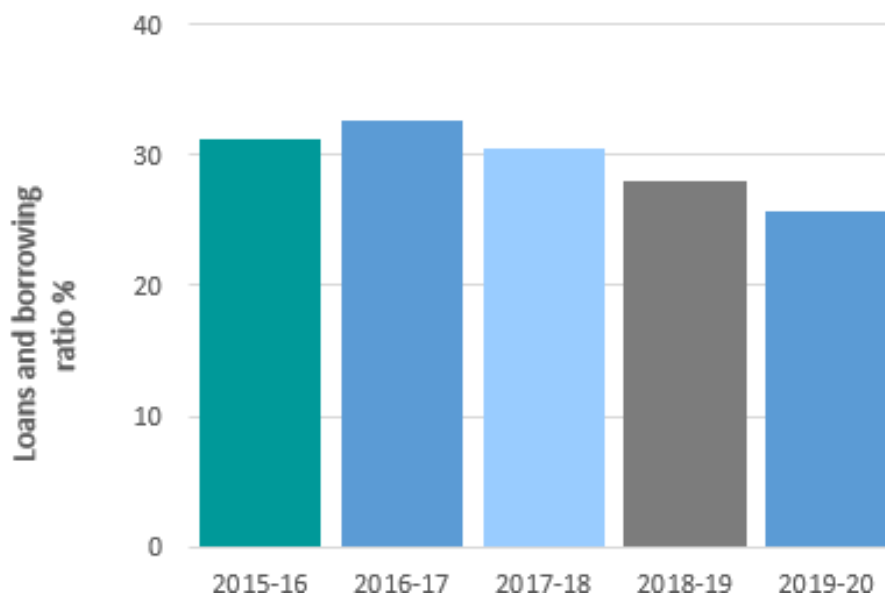
Cash and financial assets have increased by \$3.94 million from the previous financial year. The increase is mainly due to operational and capital grants being received in 2019-2020 but carried forward to 2020-2021. These are shown in the Balance Sheet as unearned income of \$3.78 million. We also received a forward payment of 50 per cent of the Financial Assistance Grant, and the timing associated with financial completion of capital works projects, which often span multiple years, all contribute to an increase in our cash and financial assets. The working capital ratio, which assesses our ability to meet current commitments, is calculated by measuring our current assets as a percentage of current liabilities. Our result

of 418.25 per cent shows we are in a strong financial position enabling us to make provision for known future obligations such as landfill rehabilitation and site aftercare requirements.

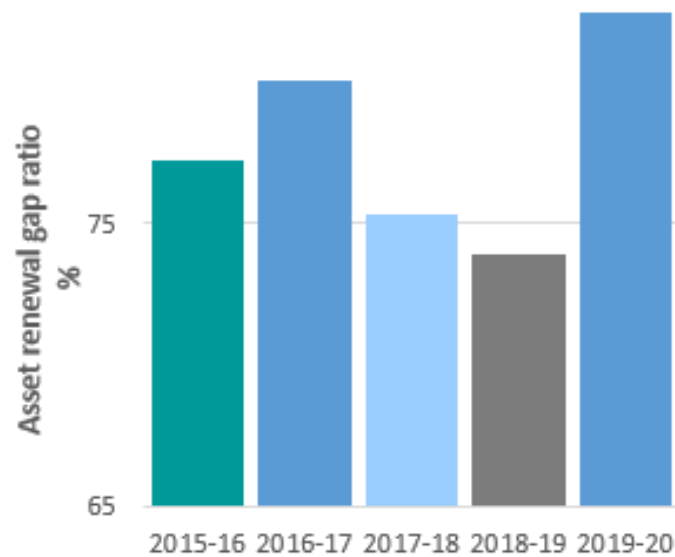


### Obligations

At the end of the 2019-2020 year, our debt ratio, which is measured by comparing interest bearing loans and borrowings with rate revenue, was 25.67 per cent, which is within the expected target band of below 40 per cent.

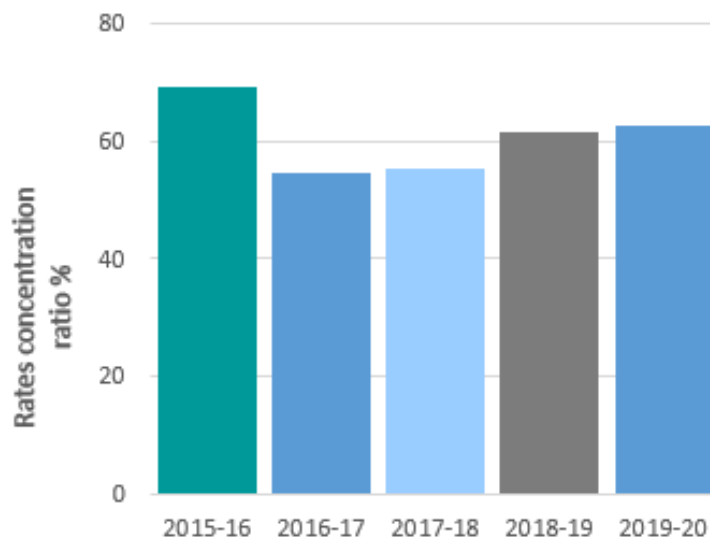


We aim to ensure we are able to maintain our infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. We invested \$34.42 million in capital works during the 2019-2020 year. Asset renewal is forecast to increase over the period of our Strategic Resource Plan 2020-2024.



### Stability and Efficiency

We raise a wide range of revenues including rates, user fees, fines, grants and contributions. Despite this, our rates concentration, which compares rate revenue to adjusted underlying revenue, was 62.78 per cent for the 2019-2020 financial year, which is within the expected target band of 40 per cent to 80 per cent. This figure is influenced by the forward payment of the Financial Assistance Grant funding. This year Council has been able to keep its rate rise to within the rate cap and still maintain services at similar levels. This has been achieved through sustainability reviews and other initiatives to ensure services are being delivered as efficiently as possible.



## Description of Council's Operations

As a Council, we are responsible for more than 100 services, from family and children's services, traffic regulation, open space, youth services, waste management and community development, to roads and drainage, planning for appropriate development and ensuring accountability for our Budget.

To achieve key result areas relating to *Strategic Objective 3: Economy (Refer to Community and Council Plan 2017 to 2021)*, a memorandum of understanding (MOU) has been established with funded local entity Mildura City Heart Inc. A service agreement has also been established with funded local entity Mildura Regional Development.

As sole shareholder, we also established an Airport Operations and Management Deed with Mildura Airport Pty Ltd to ensure the air transport needs of the Mildura community and broader region are efficiently serviced into the future.

The broad range of community services and infrastructure for residents support the wellbeing and prosperity of our community.

Our vision, strategic objectives and strategies to further improve services and facilities are described in our Community and Council Plan 2017 to 2021 and the associated Budget 2020–2021, and are reported on in this document. Refer to the section on Our Performance for more information about our services.

The delivery of services, facilities, support and advocacy to achieve the strategic objectives of the Community and Council Plan is measured by a set of performance indicators and measures. We also have a wide range of responsibilities under Victorian and Australian legislation.

### Economic Factors - General

Council is still facing a financial challenge following from the freezing of indexation of Federal Assistance Grants (FAGs) from 2014-2017. Now due to the economic pressures of the COVID-19 global pandemic, our FAGS grants indexation has been reduced for the forthcoming financial year 2020-2021. This reduction in indexation could potentially occur into the foreseeable future.

The FAGs are provided under the *Local Government (Financial Assistance) Act 1995*, and consist of two components:

- A general purpose component, which is distributed between the states and territories according to population (ie on a per capita basis)
- An identified local road component, which is distributed between the states and territories according to fixed historical shares.

These grants play a significant role in relieving pressure on raising revenue through rates. The ongoing impacts of any reduction to indexation on FAGS grants has the effect of significantly reducing our revenue into the future. This is causing a greater reliance on rating revenue.

The Victorian Government also introduced a cap on rate increases from 2016-2017. The cap for 2019-2020 was set at 2.25 per cent, which is based on the state-wide CPI forecast for the 2019-2020 financial year.

### **Economic Factors - COVID-19**

In March 2020, COVID-19 was declared a worldwide pandemic. As at the date of preparation of our Financial Statements, the impact of COVID-19 is still ongoing and the situation is rapidly changing and developing. The road to recovery of economic activity is most likely to be prolonged and is largely dependent on measures and support provided by the Australian Government and state government.

For the year ended 30 June 2020, while COVID-19 led to reductions in income and expenditure in some areas, the overall impact has not been significant. This will most likely impact more significantly in the 2020-2021 financial year as the economic recovery and ongoing measures by the Commonwealth and state governments, such as social distancing requirements, quarantine and travel restrictions, continue to impact our local Community.

### **Major Capital Works**

During 2019–2020, major capital works included the following:

#### ***Merbein Kenny Park Change Rooms***

The practical completion of the construction of the Merbein Kenny Park change rooms was achieved in August 2019. The new complex significantly improved the amenity at the reserve.

#### ***Cyclist and Pedestrian Safety***

The Safe System Road Infrastructure Program is a large project that is being implemented over two years.

This project is well underway and includes a variety of treatments such as residential threshold treatment, speed zone changes in the prevention of side-impacts at intersections and collisions with pedestrians and cyclists.

#### ***Upgrade of Fifth Street, Merbein, between River Avenue and Calder Highway***

This project involved the continuation of the road reconstruction and intersection upgrade on Fifth Street, Merbein (approximately 1.1km of road) between River Avenue and the Calder Highway. Works included pavement reconstruction, widening, sealing, and kerb and channel works. Significant drainage infrastructure was constructed to cater for road and property stormwater runoff.

#### ***Upgrade of Barclay Square, Red Cliffs***

Barclay Square is located within the Red Cliffs central business district area and is used by the Red Cliffs community for a number of events including market days and Carols by Candlelight. The park has a number of access points that are currently paved with interlocking pavers supported by a concrete plinth edge. Due to movement within the soil, heavy traffic from the market and tree roots, these pavers are continually lifting causing a tripping hazard.

This project involved the replacement of the existing interlocking pavers with pebblecrete paths.

### ***Refurbishment of Mildura Wharves***

The Mildura Wharf is a timber wharf that provides access to paddle steamers including PS Melbourne, PV Rothbury and PB Mundoo. This structure is understood to have been built in 1892, extended in 1899 and then reconstructed in 1975. The Mildura Homestead Wharf structure was constructed in 1983 and is used as a mooring site for houseboats on the Murray River.

The refurbishment has improved performance, safety and functionality, maintained the aesthetics of the current structure and surrounds, and extended the durability and longevity of the existing structures.

### ***Internal Refurbishment of Mildura Function Centre***

The Mildura Function Centre is 37 years old. Many aspects of the internal fit out have deteriorated over the years and significant internal work was required to bring the function centre back up to a reasonable standard.

The upgrade works have restored the Mildura Function Centre to a serviceable standard where it will now be a desirable venue for the community to hire for functions and events.

### ***Drainage Works in Ouyen, South of Nihill Street***

The existing 600mm diameter drain under the Ouyen and Kow Plains railway line has insufficient drainage capacity to cope with future rain events.

The drainage works included the construction of headwalls on both ends of these drainage culverts and rock beaching in the existing open channels, along with relocation of the existing Grampians Wimmera Mallee Water's 365mm diameter water main. Other works included construction of access track by raising the surface levels to allow for the construction of drainage culverts and rock beaching the west side of the railway track to protect the rail embankment for the 100-year ARI flows.

### ***Deakin Avenue and Sixteenth Street Spur Line - Stage 1***

The purpose of this project was to provide for the development of properties.

The project involved the construction of a drainage line prior to the parkway being constructed as part of a new subdivision. The construction included 130 metres of 1,350mm drainage spur line for developments to discharge into the Mildura South drainage system, including all junction pits required. The project also included 70m of 2,100mm pipe connection from the planned drainage line to the proposed basin, including headwall and excavation for installation of headwall.

### ***Murrayville Drainage Upgrade***

The Murrayville drainage upgrade works included constructed kerb and channel works, road reconstruction works, drainage (both swale creation/modification and pipe and pit installation) works to rectify stormwater problems of flooding, enable stormwater to drain away from shop frontages and to form a flow path to allow the stormwater to discharge quickly away from the Murrayville township.



This project is being constructed over two years and will be completed in 2020-2021.

#### ***Ontario Avenue and Thirteenth Street Intersection Upgrade***

This project included road reconstruction and intersection upgrade on Ontario Avenue and the Thirteenth Street Medical Precinct, which has increased the safety in the medical precinct.

The works covered pedestrian crossings, traffic islands and associated signs and line marking.

Concurrent works included the construction of a new roundabout, replacement of the road pavement and construction of a new car parking area. This has helped to increase traffic flow and provide additional car parking for the surrounding medical precinct.

#### ***Reconstruction of Eighth Street between Walnut Avenue and the Railway Line***

One of the most significant reconstruction projects undertaken during the 2019-2020 financial year was the reconstruction of Eighth Street between Walnut Avenue and the railway line.

Works involved road reconstruction, asphaltting, footpath, and kerb and channel works. Drainage works were also undertaken, which included the installation of new pipes and pits to cater for road and property stormwater runoff.

This project is being constructed over two years and will be completed in 2020-2021.

#### ***Shoulder Works on Boonoonar Road Shoulders from Calder Highway to Kulkyne Way - 13km at 1m including Sealing Works***

Reconstruction of Boonoonar Road involved repairing the rutting and deformation of the pavement, renewing the pavement life and resurfacing.

This road embankment and shoulder reinstatement provided stability for Boonoonar Road from Calder Highway to Kulkyne Way.

#### ***Lemon Avenue and Lemon Place Reconstruction***

The upgrade and reconstruction of Lemon Avenue and Lemon Place was one of the most significant reconstruction projects undertaken during the 2019-2020 financial year.

Works involved boxing out Lemon Avenue and Lemon Place from Eighth Street to Orange Avenue, reconstructing it in 150mm layers and sealing it with an asphalt surface with a section of concrete pavement.

Intersection works, kerb and channel works, pram ramp reconstruction, driveway reconstruction and pit surround replacements were also carried out.

#### ***Cricket Net Upgrade at Henshilwood Recreation Reserve***

The Henshilwood Cricket Net upgrade included the removal of the existing three-pitch cricket net, including concrete slab, and construction of a new four-pitch cricket net at a slightly different alignment.

The alignment change is to situate the nets away from a very large gum tree to eliminate the amount of leaf and gumnut litter on the pitches.

Following the Cricket Victoria guidelines in regard to the size of the net facility, the internal road that was directly behind the old cricket nets had to be realigned to provide sufficient room for the new nets to be installed.

The road realignment allows traffic to continue in a safe manner with bollards installed.

### ***Interior Upgrade to the Mildura Waves Facility at The Alfred Deakin Centre - Stage 1***

Another significant project undertaken during the 2019-2020 financial year was the interior upgrade to the Mildura Waves facility at The Alfred Deakin Centre.

The interior upgrade involved the fit-out of the Visitor Information Centre, café and Mildura Waves facility to provide a high quality and vibrant interior suitable for the next 20 years.

Works involved the replacement of the floor tiling throughout the pool hall to an industry standard for pool deck finish to provide a slip-resistant surface, upgrading the change rooms with the installation of shower cubicles in the male change rooms and the inclusion of a ceiling hoist and tracking system that will move between the toilet and shower to enable clients to move freely, as well as an auto door to allow ease of entry.

These works are continuing and will be completed in 2020-2021.

### **Major Changes**

In 2019–2020, we made the following major changes to the organisation’s structure and contracts:

- Renamed the Customer Service Team the Customer Support Team to reflect a renewed focus on improving the customer experience and to reinforce that customer service is the responsibility of all staff and not just one designated team
- Created a new Capital Works Program Coordinator role in the Asset Services Branch dedicated to the achievement of our capital works program development and delivery
- Farewelled interim Chief Executive Officer, Allen Bawden, and welcomed new Chief Executive Officer, Sarah Philpott
- Redeployed and reorganised teams temporarily in response to COVID-19, including implementing a Community Relief Service, to assist in responding to those in need
- Temporarily deployed staff to assist in drought support and recovery
- Recommended changes to the structure and governance of the cemeteries, bringing them into direct line reporting through Council to the Chief Executive Officer
- Put in place a temporary (two-year tenure) role to implement a consistent Service Planning Framework across our organisation in line with the integrated planning requirements of the *Local Government Act 2020*
- Appointed a temporary Mildura Marina Project Coordinator to develop and deliver projects associated with this site

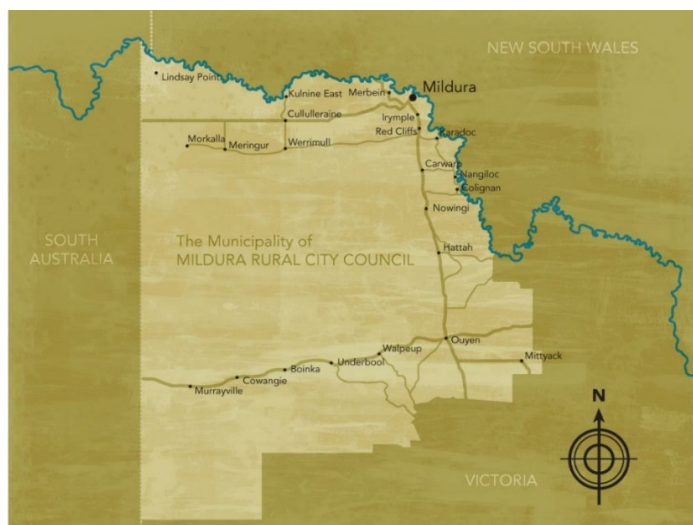
- Appointed a Waste and Education Officer to assist with community education relating to the deployment of the kerbside food and garden organics service
- Identified the position of Environmental Health Coordinator to provide specific advice and direction with the management of COVID-19 matters
- Created an additional Environmental Health Cadet Officer position to attempt to address professional officer shortages in the Environmental Health sector, especially experienced officers in regional councils
- Created a temporary six-month Emergency Roads Coordinator role to deal with the impact of sand drift in the Millewa-Carwarp region and to coordinate the response to repairing the road network.

### **Major Achievements**

- Maintained 4,116km of unsealed roads
- Upgraded the Ontario Avenue and Thirteenth Street medical precinct with the installation of a new roundabout and five pedestrian crossings
- Refurbished the Mildura wharves
- Completed construction of the Kenny Park change rooms in Merbein
- Implemented a comprehensive package of measures to provide financial relief to those in our community hardest hit by the COVID-19 pandemic
- Completed construction of the new Murrayville Library building
- Reconciliation Victoria Helping Achieve Reconciliation Together Award for Mildura's NAIDOC Corroboree 2019
- Approved the Mildura Riverfront Boating Precinct Master Plan
- Upgraded all security screening equipment and added body scanning at the Mildura Airport
- Through Mildura Regional Development, attracted the *Sunrise* morning television show to feature Mildura as the letter M in their virtual A-Z tour of Australia
- Upgraded Barclay Square, Red Cliffs, with the installation of new pebblecrete paths.

# Our Council

## City Profile



Mildura Rural City Council covers an area of 22,330 square kilometres, making it the largest municipality in Victoria.

The municipality has an estimated resident population of 55,777 which includes 2,519 Aboriginal and Torres Strait Islander people. The structure of the region's economy and a significant transient population for employment purposes sees Mildura serve a regional population across three states – Victoria, New South Wales and South Australia.

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. Townships within Council's rural area include Ouyen, Meringur, Werrimull, Cullulleraine, Cardross, Nangiloc, Colignan, Murrayville, Cowangie, Underbool and Walpeup.

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

While renowned for quality horticultural production, the Mildura region's economy has diversified and expanded over many years to include a variety of industries. Value adding industries such as manufacturing (predominantly wine, fruit and vegetable processing) have become well established in the region and benefit from the area's tri-state location and transport infrastructure. Tourism is also a strong element within the local economy and the Mildura region has become a popular tourism destination. With excellent infrastructure and a Mediterranean style climate creating an abundance of sunshine hours and clear days, Mildura has more recently become an area of great interest to the renewable energy sector and is viewed as a preferred solar location.

Mildura also boasts the largest and busiest regional airport in Victoria with 172,088 passenger movements each year to Melbourne, Sydney and Adelaide.

*\* Source: Figures based on 2020 update to Australian Bureau of Statistics data.*

## Council Offices

### **Mildura**

Madden Avenue Service Centre

108 Madden Avenue, Mildura

Ph: (03) 5018 8100

Fax: (03) 5021 1899

Deakin Avenue Service Centre

76 Deakin Avenue, Mildura

Ph: (03) 5018 8100

Fax: (03) 5021 1899

### **Ouyen**

Ouyen Service Centre

79 Oke Street, Ouyen

Ph: (03) 5018 8600

Fax: (03) 5092 1017

Email: [mrcc@mildura.vic.gov.au](mailto:mrcc@mildura.vic.gov.au)

Website: [www.mildura.vic.gov.au](http://www.mildura.vic.gov.au)

Postal address:

PO Box 105

Mildura Victoria 3502

## Councillors

A Council is elected to provide leadership for the good governance of the municipal district and the local community. On 27 October 2016, our community elected this Council for a four-year term. The nine Councillors listed below were the elected representatives of all residents and ratepayers across the Mildura Rural City, with their term ending in October 2020. Councillors are responsible for setting the strategic direction of the municipality, policy development, identifying service standards and monitoring performance across the organisation. To allow focus on strategic matters relating to specific areas of Council, Councillors were allocated a portfolio aligned with the Council Plan 2017 to 2021.

### **Cr Simon Clemence, Mayor**

Term: 2016-2020

Cr Simon Clemence joined Council for the first time in 2016. Now retired, Cr Clemence was a police inspector and Local Area Commander for Mildura and lives at Cardross. Cr Clemence has a strong background in crime reduction initiatives, ice (drug) education, family violence and improving Aboriginal youth training and employment.

### **Cr Min Poole, Deputy Mayor\***

Term: 2016-2020

Cr Min Poole joined Council for the first time in 2016. A business manager in the education sector and volunteer in the community, Cr Poole has lived in Mildura but currently resides in Ouyen.

### **Cr Jason Modica\***

Term: 2016-2020

Cr Jason Modica joined Council for the first time in 2016. A ceramic tile layer, Cr Modica grew up in Gol Gol and now lives in Nichols Point. He is passionate about the region he calls home.

### **Cr Greg Brown**

Terms: 1997-2000, 2003-2005, 2012-2016, 2016-2020

Cr Greg Brown served on three previous Councils and is pleased to have again been given the opportunity to represent local residents. Cr Brown went to school in Underbool and Ouyen and has operated a dryland farm at Underbool for 62 years. He has also managed his own small business for 50 years.

### **Cr Anthony Cirillo**

Term: 2016-2020

Cr Anthony Cirillo joined Council for the first time in 2016. Cr Cirillo grew up in the Mildura region and is a horticulturist who grows table grapes and operates a successful business that markets produce both nationally and globally. Cr Cirillo and his wife Vittoria are currently raising their young family.

**Cr Helen Healy**

Term: 2019-2020

Appointed: February 2019 (replaced Cr Ali Cupper)

Cr Helen Healy joined Council early in 2019 following Cr Cupper's election to the Victorian Parliament. She is an Arts and Cultural Engagement consultant having produced over 300 events across Australia including major events in the Mildura region and the National Indigenous Cultural program for the Centenary of Canberra. She has twice been a finalist in the Australian Event Manager of the Year award, is a former Victorian Government Small Business Regional Hero and Australia Council peer. She is currently a member of the Creative Victoria Advisory Panel and, until March 2019, was a board member of Regional Arts Victoria. Cr Healy has a Masters of Fine Arts (Cultural Leadership) and a keen interest in yoga, rowing, music and writing for publication.

**Cr Mark Eckel**

Terms: 2000-2003, 2005-2008, 2008-2012, 2012-2016, 2016-2020

Cr Mark Eckel served on four previous councils. Cr Eckel is a White Ribbon Ambassador and believes that violence is a cultural issue that needs to be addressed commencing with our youth. With wife Denise, they share six children, eighteen grandchildren and are great grandparents of five. The couple list Mildura's geographical location, lifestyle and multicultural community as highlights. In addition to working as a radio presenter, Cr Eckel is a keen sportsman.

**Cr Glenn Milne**

Terms: 2005-2008, 2008-2012, 2012-2016, 2016-2020

Cr Glenn Milne is serving his fourth consecutive term on Mildura Rural City Council. Cr Milne has previously served seven terms as Mayor. Born and bred in the region, Cr Milne grew up on a dried fruit and citrus property at Cardross while completing school and further education pursuits locally. He has also been employed as a press photographer, and worked in community development and welfare. The father of eight, including two foster children, Cr Milne is both a board and life member of the Mallee Accommodation and Support Program. He is also Chair of the Red Cliffs Centenary Committee and serves on the boards of Sunraysia Residential Services and Mildura Chaplaincy Committee.

**Cr Gavin Sedgmen**

Term: 2018-2020

Appointed: November 2018 (replaced Cr Max Thorburn)

Cr Gavin Sedgmen joined Council for the first time in November 2018, following the passing of Cr Thorburn. Cr Sedgmen has lived in Merbein and worked around the Sunraysia region all his life. He has also owned a vineyard for 21 years. Cr Sedgmen has been actively involved with charity events including the Red Cliffs Lions' Debutante Balls, the Masonic Lodge and the Merbein Football Club over the past 30 years.

*\* Note: Cr Jason Modica was Deputy Mayor from July 2019 to November 2019 and Cr Min Poole was Deputy Mayor November 2019 to June 2020.*

# Our People

## Organisational Structure

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day to day management of operations in accordance with the strategic directions of the Community and Council Plan 2017-2021. Three general managers and the CEO form the Executive Leadership Team (ELT) and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.



### **Chief Executive Officer**

Sarah Philpott

Sarah commenced in the role of Chief Executive Officer in early August 2019. Sarah has over 20 years of leadership experience within local government in South Australia, Queensland and now Victoria. She has experience across many areas of local government services and has been responsible for leading large teams and for changing organisational performance and culture. With a focus on good governance and sound financial management, Sarah combines this local government background with private sector and state government experience in the justice sector, most recently in courts administration. Sarah has post-graduate qualifications in business administration, change management and a Masters. Sarah is passionate about working with community, making a difference to the people who live, work and visit our region and ensuring that Council is focused on achieving public good while operating efficiently and providing responsive customer service.

#### **Responsibilities:**

- Executive support for Mayor and Councillors, including approving Council reports and providing strategic advice to Councillors
- Implementation of Council's policies and decisions
- Liaison with other levels of government and major stakeholders
- Working with other local government representatives on sector-wide and regional issues
- Supporting all areas of the municipality
- Small town and city development and investment attraction
- Leadership of the Strategic Management Team (ie Council's Executive Leadership Team and branch managers).



## Senior Officers Reporting Directly to the Chief Executive Officer



### **General Manager Corporate**

Chris Parham

Chris Parham was appointed General Manager Corporate in September 2016.

Chris has nearly 10 years' management experience in local government, having served in the role of Manager Information Systems prior to his appointment to the General Manager Corporate position. Chris has extensive private sector management, project management, and information and communications technologies experience. Chris has a Masters of Business Administration, Graduate Certificate in Management, Diploma in Information Technology, PRINCE2 Practitioner, Graduate Australian Institute of Company Directors and Certified Enterprise Architect. In addition, Chris is a White Ribbon ambassador.

Areas of responsibility:

- Organisational Development
- Human Resources
- Financial Services
- Information Systems
- Corporate Administration
- Governance and Risk Management
- Greater Sunraysia Pest Free Area
- Mildura Cemetery Trust.



### **General Manager Development**

Mandy Whelan

Mandy Whelan was appointed General Manager Development in early June 2016 following a period of around seven months where she acted in the role.

Mandy has over 17 years' management experience in local government, having served in the role of Manager Aged and Disability Services for two years, Manager Organisational Development for five years and General Manager Corporate for six years prior to her appointment to the General Manager Development position. Mandy has a Bachelor of Social Science, Graduate Diploma of Gerontology and a Masters of Business Administration.

Areas of responsibility:

- Parks Services
- Waste Management Services
- Road maintenance and construction
- Asset Management Services
- Engineering Services
- Statutory Planning
- Building Services
- Environmental Health
- Civic Compliance
- Facility Services.



### **General Manager Community**

Martin Hawson

Martin Hawson has a broad and extensive background in community services leadership and management experience in local government.

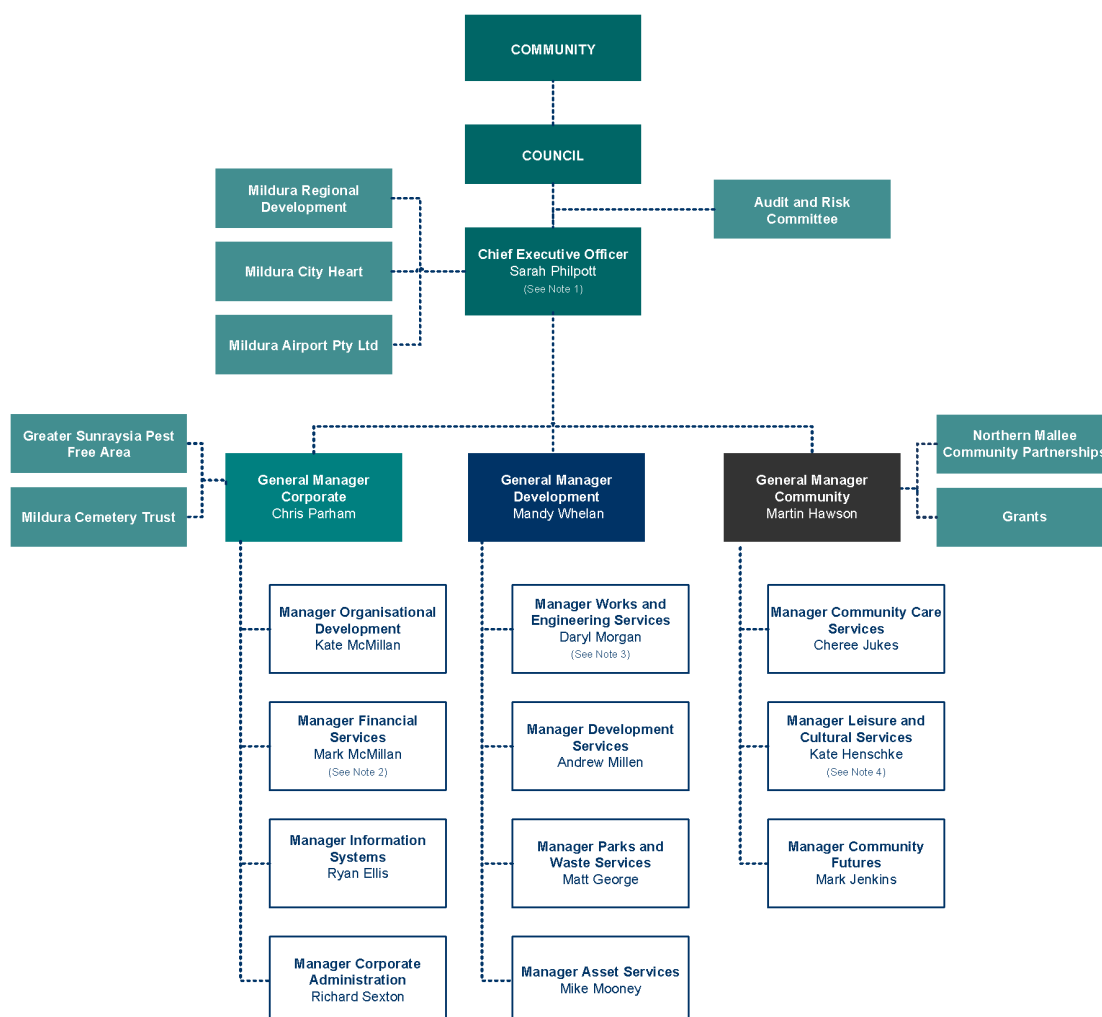
Prior to his appointment to the Executive Leadership Team in June 2003 as General Manager Community and Culture, Martin was Council's Manager Aged and Disability Services for five years. Martin holds a Masters in Health Administration, Graduate Diploma in Health Science and a Diploma in Education.

As General Manager Community, Martin has developed and overseen several successful major community infrastructure projects in recent years. They include redevelopment of the Mildura Arts Centre, Red Cliffs and Merbein community hubs and the first stage of the Mildura Riverfront Redevelopment. Martin is currently overseeing the development of the Mildura South Regional Sporting Precinct and the Mildura Riverfront (Stage 2).

Areas of responsibility:

- Leisure and Cultural Services
- Community Care Services
- Community Futures.

The organisational structure of Council is shown below.



**Note:**

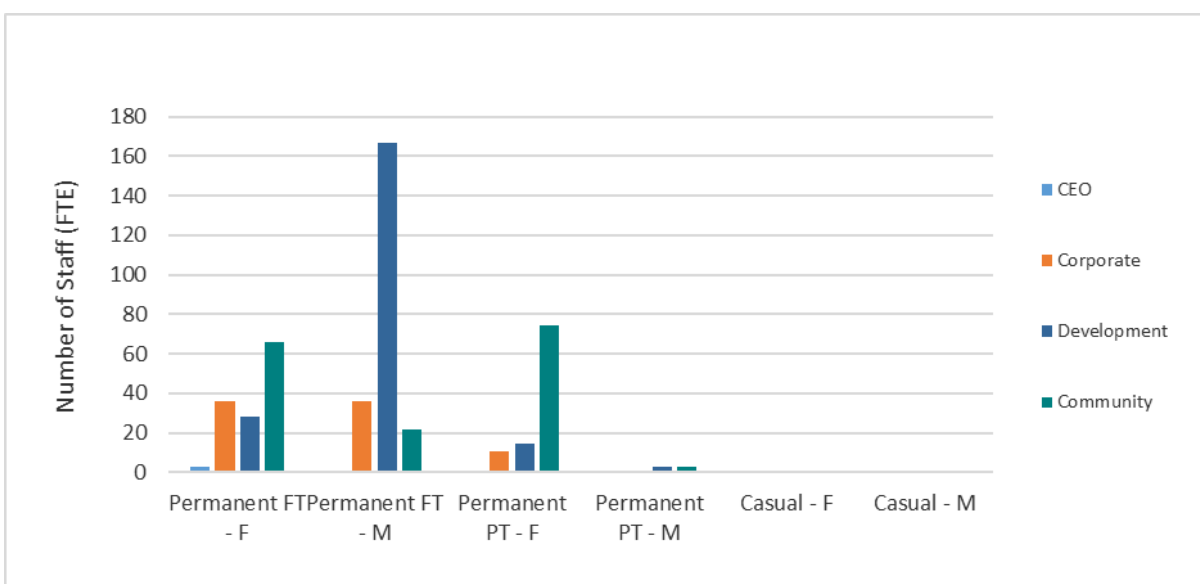
1. Allan Bawden was employed as Interim CEO from 4 March to 2 August 2019. Sarah Philpott commenced as CEO on 5 August 2019.
2. Mark McMillan replaced David Folvig as Manager Financial Services on 27 April 2020.
3. Aaron Huttig acted in the Manager Works and Engineering Services' role from 19 February 2019 through until Daryl Morgan's commencement as Manager Works and Engineering Services on 11 November 2019.
4. Following the resignation and departure of Jamey Mullen on 17 April 2020, Kate Henschke acted in the Manager Leisure and Cultural Services role.

## Council Staff

A summary of the number of full time equivalent (FTE) staff by organisational structure, employment type and gender is set out below.

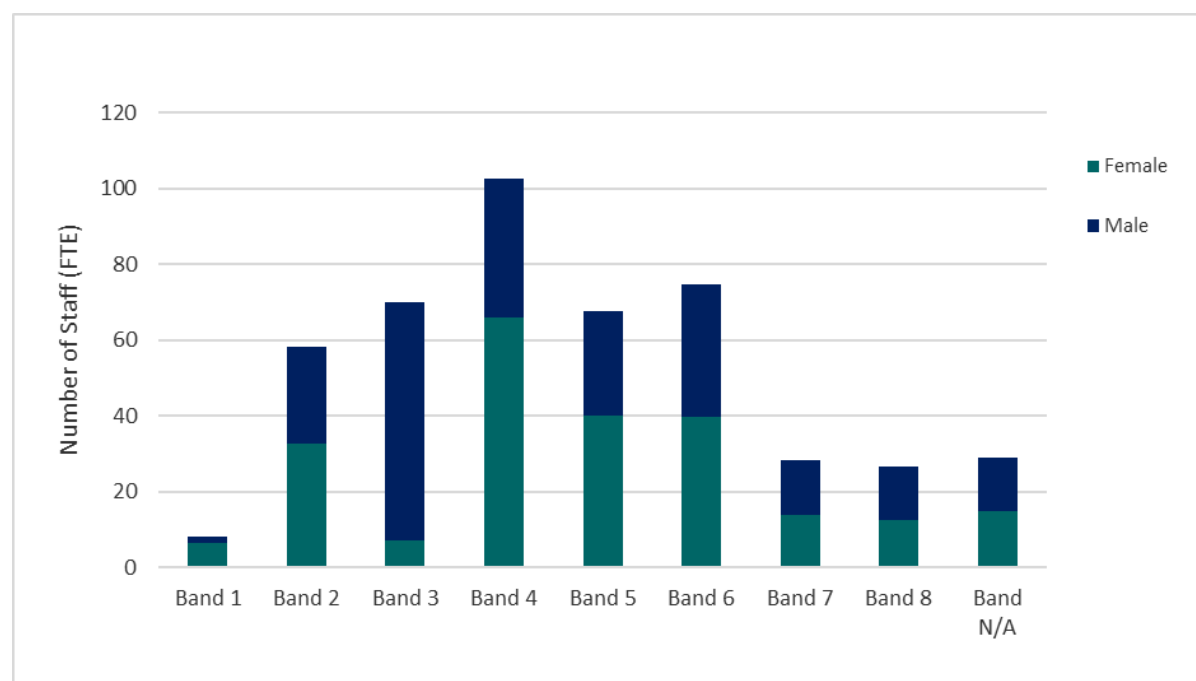
Employee type/gender	CEO FTE	Corporate FTE	Development FTE	Community FTE	Total FTE
Permanent FT - F	3	36	28.02	66	133.02
Permanent FT - M		36.0	167.01	22	225.01
Permanent PT - F		10.53	14.45	74.23	99.21
Permanent PT - M		0.53	3.12	2.72	6.37
Casual - F		.08	.14	0.86	1.08
Casual - M			.04	.06	0.1
<b>Total</b>	<b>3</b>	<b>83.14</b>	<b>212.78</b>	<b>165.87</b>	<b>464.79</b>

FT-Full time PT-Part time F-Female M-Male



A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	6.6	1.47	8.07
Band 2	32.59	25.51	58.1
Band 3	7.2	62.88	70.08
Band 4	65.90	36.66	102.56
Band 5	40.01	27.54	67.55
Band 6	39.61	35	74.61
Band 7	13.95	14.42	28.37
Band 8	12.52	14	26.52
Band not applicable	14.93	14	28.93
<b>Total</b>	<b>233.31</b>	<b>231.48</b>	<b>464.79</b>



### Overview of Senior Positions by Gender

Level	Male	Female
Executive Leadership	3.00*	2.00
Management	8.00	3.00
Coordinator and Team Leader	38.01	33.10

\* Includes Allan Bawden, who held the position of Interim CEO, prior to Sarah Philpott's appointment as CEO.

## Equal Employment Opportunity Program

A Council with 40 or more members of staff must have developed and implemented an equal opportunity program. We have implemented an equal employment opportunity program designed to eliminate discrimination against and promote equal opportunity for women and persons in designated groups in relation to employment matters.

The objective of our Equal Employment Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010* such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

The indicators that measure the effectiveness of our Equal Employment Opportunity Program and the results for the year are:

- Indicator: Percentage of new employees receiving equal opportunity training within six months of commencement. Target: 100 per cent. Result: 98 per cent.
- Indicator: Number of contact officers per number of Council employees. Target: 1:50. Result: 1:49.

The indicators are monitored on an ongoing basis by our Equal Employment Opportunity Committee that meets regularly to promote employee and management awareness, consider relevant issues and contribute to resolution and advice. Our assessment of the achievement of the program's objectives are that there were no breaches of the *Equal Opportunity Act 2010*.

The actions taken to implement the Equal Employment Opportunity Program over the past 12 months include:

- Provision of two-hour equal opportunity training sessions as part of the induction for all new staff
- Equal Opportunity Committee meetings, held quarterly
- Communication of Equal Opportunity, and Bullying and Harassment policies to all staff as part of the Policy of the Month process
- Recruiting new contact officers for several work areas of Council
- Review of the Family Violence Policy and supporting documentation for staff
- Continuing provision of family violence leave to relevant staff
- Provision of training to all staff on domestic and family violence awareness
- Continuing our work as a White Ribbon Workplace under the White Ribbon Accreditation Program. White Ribbon has been acquired by Communicare.

## Other Staff Matters

### Enterprise Bargaining Agreement

A new three-year Enterprise Agreement was agreed to and subsequently approved by the Fair Work Commission. This year, we utilised an electronic voting system, which allowed us to reach more staff and we saw the highest ever number of staff participate in the voting process.

### Training/Professional Development

Study assistance is offered for staff undertaking relevant undergraduate or postgraduate studies. In the past year, 21 staff have accessed this form of support. A comprehensive corporate learning program that supports a broad range of staff development needs is provided. This is developed in alignment with strategic priorities, as well as in response to needs identified through staff performance and development plans. A variety of learning methodologies are used, including e-learning, facilitated workshops and personal coaching.

### Preventing Violence against Women

The Prevention of Violence against Women initiative aims to promote gender equity, build respectful and safe relationships, and break down stereotypes of women.

Over the past 12 months, we have:

- Continued our internal White Ribbon Accreditation Committee with the inclusion of new members to better represent all areas of Council
- Continued our internal White Ribbon Events Committee to plan, coordinate and manage Council's White Ribbon events
- Conducted awareness raising activities as part of White Ribbon Day (Community Walk Against Family Violence)
- Included material about the White Ribbon Program in our Corporate Induction Program
- Provided training to all staff on domestic and family violence awareness
- Continued to provide information to staff on the prevention of family violence
- Reviewed policies to ensure they support the prevention of violence against women and people in this situation.
- Begun preliminary work on implementation of the *Gender Equality Act 2020*.

### Health and Safety

Our aim is to maintain a safety culture that supports an incident and injury free workplace for all employees, Councillors, contractors, visitors and the public. Over the past 12 months, we have continued to review and update our Health and Safety Management System. We have worked with branches to document risk assessments and reviewed safe work procedures and safe work method statements to ensure employees continue working in a safe environment. Council's new online incident reporting system has been rolled out successfully.

### **Commitment to Children – Mildura Rural City Council as a Child Safe Organisation**

Mildura Rural City Council is committed to the safety and wellbeing of children and the prevention of child abuse. Reducing and removing the risk of child abuse will be at the centre of our decision-making concerning children in our organisation.

Council has zero tolerance for child abuse and all allegations and safety concerns will be treated seriously and acted upon. As a child safe organisation, we are committed to providing a child safe environment where children feel safe, are empowered, valued and protected. Council will actively listen to children, ensuring their voices are heard and considered in decisions that affect their lives.

Council's approach to children will be consistent with our commitment to strive to ensure our services are accessible and the people we deal with are treated with dignity and respect, regardless of gender identity, sexual orientation, age, disability, ethnicity and cultural and socio-economic background.



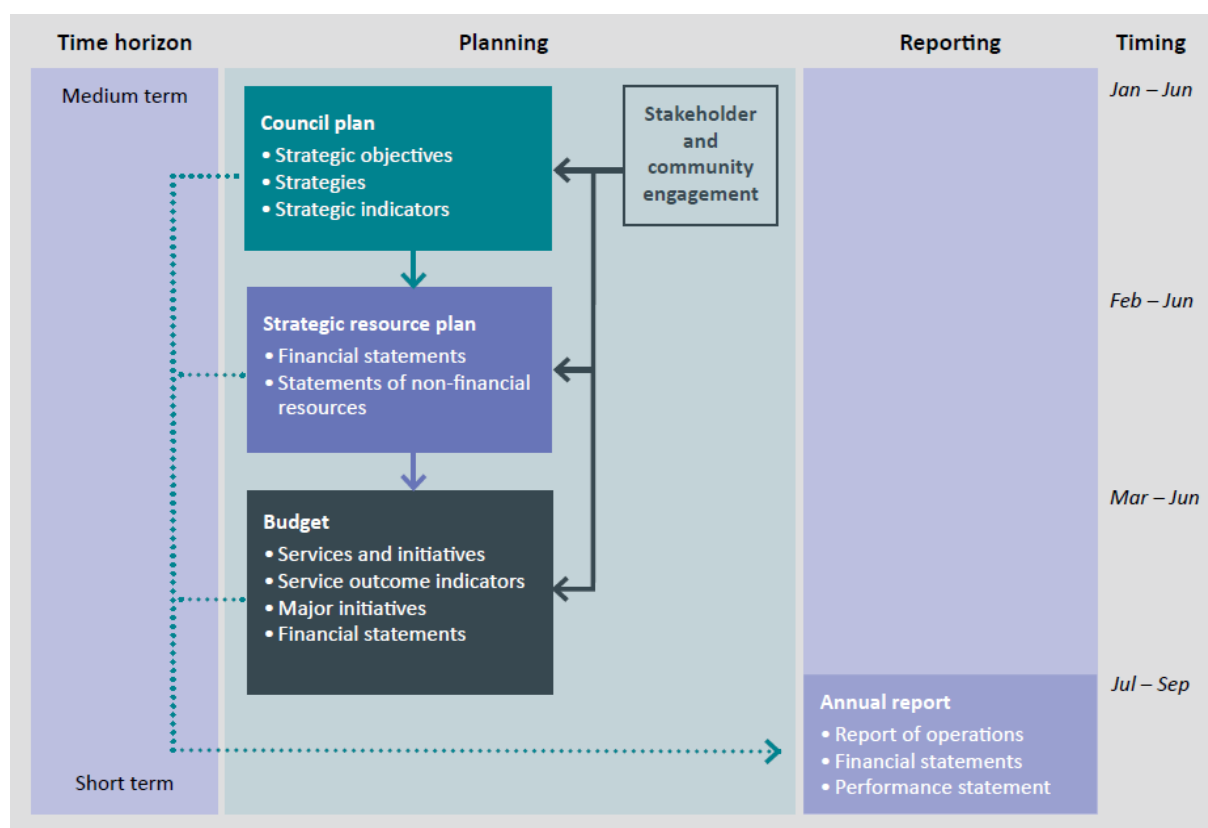
# Our Performance

## Planning and Accountability Framework

The Planning and Accountability Framework is found in Part 6 of the *Local Government Act 1989* (the Act). The Act requires councils to prepare the following planning and reporting documents:

- A Council Plan within the six months after each general election or by 30 June, whichever is later
- A Strategic Resource Plan for a period of at least four years and include this in the Council Plan
- A Budget for each financial year
- An Annual Report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the Planning and Accountability Framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



## Community and Council Plan

The Community and Council Plan 2017-2021 includes strategic objectives, strategies for achieving these for the four-year period, strategic indicators for monitoring achievement of the strategic objectives and a Strategic Resource Plan. The following are the four strategic objectives as detailed in the Community and Council Plan.

1. COMMUNITY		We will create a safe, supportive place to live, where diversity and lifestyle opportunities are enhanced
2. ENVIRONMENT		We will create and promote sustainable natural and built environments
3. ECONOMY		We will encourage diverse and sustainable economic development that provides growth in jobs, investment and quality of life
4. COUNCIL		We will manage resources in a sustainable manner to provide services that are relevant, of a high standard and respond to identified community needs

## Performance

Council's performance for the 2019-2020 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the Community and Council Plan 2017-2021. Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Community and Council Plan
- Progress in relation to the major initiatives identified in the Budget
- Services funded in the Budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures.



### Strategic Indicators

The following statement reviews the performance of Council against the Community and Council Plan, including results achieved in relation to the strategic indicators included in the Community and Council Plan.

#### 1.1 Community Safety

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community perception of personal safety <sup>1</sup>	47%	54%	61%	42%
Childhood accidents <sup>2</sup>	-	-	-	-
Crimes against persons <sup>3</sup>	1.76	1.72	2.08	2.02
Crimes against property <sup>4</sup>	6.24	-	-	-
Road trauma <sup>5</sup>	0.06%	0.03%	0.04%	0.03%
Reported public safety incidents <sup>6</sup>	125	98	81	94
Number of animal attacks <sup>7</sup>	70	70	64	65
Drug related crime <sup>8</sup>	220	257	281	285
Community satisfaction with emergency management <sup>9</sup>	4.52	5.07	5.19	4.11

<sup>1</sup> Percentage of residents who feel 'safe' or 'very safe' in their community (source: Community Satisfaction Survey)

<sup>2</sup> Rate of childhood accidents per 1,000 children (source: Social Indicators Report)

<sup>3</sup> Rate of crimes against the person per 100,000 population for Mildura local government area (source: Crime Statistics Agency)

<sup>4</sup> Number of crimes against property/Municipal Population x 100 (source: Crime Statistics Agency and Australian Bureau of Statistics)

<sup>5</sup> Rate of road trauma/Municipal Population x100 (source: VicRoads and Australian Bureau of Statistics)

<sup>6</sup> Number of public safety incidents reported to Mildura Rural City Council (MRCC) Risk and Emergency Management Unit (source: MRCC Insurance Incident and Claims data)

<sup>7</sup> Number of reported dog attacks to Council (source: MRCC Customer Request Module data)

<sup>8</sup> Offences recorded by offence type and Local Government Area (source: Crime Statistics Victoria)

<sup>9</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

## 1.2 Community Development

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with support to people with a disability <sup>10</sup>	4.30	4.91	5.22	4.02
Community satisfaction with equitable access to facilities, services and activities <sup>11</sup>	30%	28%	36%	24%
Level of volunteering <sup>12</sup>	-	20.7%	-	-
Community satisfaction with opportunities for people to be involved in shaping their community <sup>13</sup>	25%	32%	41%	23%
Education participation rates <sup>14</sup>	-	68.8%	-	-
Year 12 or equivalent completion rates <sup>15</sup>	-	88.10%	-	-

<sup>10</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>11</sup> Percentage of respondents who agree – score of six or seven out of seven. There is equal access to facilities, services and activities for everyone in our community (source: Community Satisfaction Survey)

<sup>12</sup> Percentage of people under taking unpaid volunteer work in the last 12 months with an organisation or group (source: Census)

<sup>13</sup> Percentage of respondents who agree – score of six or seven out of seven. People can be involved in shaping our community. (source: Community Satisfaction Survey)

<sup>14</sup> Attendance in an educational institution - prep to 24 years old (source: Census)

<sup>15</sup> Rate of 15-19 year olds completing Year 12 or equivalent on leaving school (source: Census)

### 1.3 Community Health and Wellbeing

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Self-reported health <sup>16</sup>	-	-	-	-
Subjective wellbeing <sup>17</sup>	-	-	-	-
Life expectancy – Males <sup>18</sup>	-	-	-	-
Life expectancy – Females <sup>19</sup>	-	-	-	-
Adequate physical exercise <sup>20</sup>	-	-	-	-
Fruit consumption <sup>21</sup>	-	-	-	-
Vegetable consumption <sup>22</sup>	-	-	-	-
Obesity <sup>23</sup>	-	-	-	-
Smoking status <sup>24</sup>	-	-	-	-
Risky alcohol consumption <sup>25</sup>	-	-	-	-
Psychological distress <sup>26</sup>	-	-	-	-
Prevalence of Type 2 Diabetes <sup>27</sup>	-	-	-	-
Birth weight <sup>28</sup>	-	-	-	-
Communicable diseases <sup>29</sup>	264	297	459	122
Family violence <sup>30</sup>	-	-	-	-
Children in out of home care <sup>31</sup>	-	-	-	-
Children on child protection orders <sup>32</sup>	-	-	-	-
Community satisfaction with immunisation programs <sup>33</sup>	5.23	5.65	5.88	5.04
Community satisfaction with health education programs <sup>34</sup>	4.49	4.74	5.02	3.95

<sup>16</sup> People Self-Reporting Health as Excellent or Very Good: expressed as a percentage of the adult population (source: Community Indicators Victoria)

<sup>17</sup> Australian Unity Personal Wellbeing Index (source: Victorian Population Health Survey)

<sup>18</sup> Life Expectancy at Birth (source: Social Indicators Report)

<sup>19</sup> Life Expectancy at Birth (source: Social Indicators Report)

<sup>20</sup> The proportion of people that meet the benchmark criteria of at least five sessions per week with an accrued minimum of 150 minutes of moderate and/or vigorous activity (source: Victorian Population Health Survey)

<sup>21</sup> Percentage of people meeting the recommended consumption of two serves of fruit per day (source: Victorian Population Health Survey)

- 22 *Percentage of the adult population consuming the recommended intake of three serves of vegetables per day (source: Victorian Population Health Survey)*
- 23 *Percentage of people who are obese according to a Body Mass Index (BMI) of 30 or greater (source: Victorian Population Health Survey)*
- 24 *Percentage of people who are current smokers (source: Victorian Population Health Survey)*
- 25 *Percentage of people drinking weekly at levels above short-term risk of alcohol consumption (source: Victorian Population Health Survey)*
- 26 *Percentage of the adult population that are at risk of psychological distress determined by a Kessler 10 score above 21 (source: Victorian Population Health Survey)*
- 27 *People diagnosed with Type 2 Diabetes (source: Victorian Health Information Surveillance system (VHISS))*
- 28 *Percentage of babies born weighing less than 2,500 grams (source: Victorian Perinatal Data Collection, Consultative Council on Obstetric and Paediatric Morbidity and Mortality (2017))*
- 29 *Notified cases (Source: Department of Human Services Infectious Diseases Epidemiology & Surveillance)*
- 30 *Rate of family incident reports per 100,000 population (source: State of Mildura Report 2018)*
- 31 *Children in out of home care per 1,000 children aged 0-17 years (source: DHHS/State of Mildura Report 2018)*
- 32 *Children on Child protection orders per 1,000 children aged 0-17 years (source: Department of Health and Human Services/State of Mildura Report 2018)*
- 33 *Mean performance score out of seven (source: Community Satisfaction Survey)*
- 34 *Mean performance score out of seven (source: Community Satisfaction Survey)*

## 1.4 Community Services

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Birth weight <sup>35</sup>	-	-	-	-
Maternal and child health visits <sup>36</sup>	100%	100%	100%	104%
Participation in the Maternal and Child Health Service by Aboriginal children <sup>37</sup>	55.53%	58.96%	67.53%	68.84%
Australian Early Development Index <sup>38</sup>	-	-	23.30%	-
Kindergarten participation rates <sup>39</sup>	-	-	-	-
Number of four-year old kindergarten enrolments in a long day care or integrated children's service setting <sup>40</sup>	-	-	-	-
Community satisfaction with maternal and child health services <sup>41</sup>	4.90	5.30	5.47	4.72
Community satisfaction with support for pre-schools <sup>42</sup>	4.57	4.81	5.19	4.14
Community satisfaction with childcare <sup>43</sup>	4.53	4.87	5.23	3.98
Level of youth re-engagement into education, training or employment <sup>44</sup>	-	6.35	6.40	-
Incomplete education <sup>45</sup>	25.4%	27.1%	27.1%	27.1%
Community satisfaction with youth programs <sup>46</sup>	4.08	4.69	5.14	3.75
Community satisfaction with home care services <sup>47</sup>	4.72	5.01	5.14	4.21
Community satisfaction with support to people with a disability <sup>48</sup>	4.30	4.91	5.22	4.02

<sup>35</sup> Percentage of babies born weighing less than 2,500 grams (source: Victorian Perinatal Data Collection, Consultative Council on Obstetric and Paediatric Morbidity and Mortality (2017))

<sup>36</sup> Number of infants enrolled in the MCH service from birth notifications received/number of birth notifications received/number of birth notifications (source: MRCC Xpedite Report)

<sup>37</sup> Number of Aboriginal Children who attend the MCH service at least once in the year/number of Aboriginal children enrolled in the MCH service (source: MRCC Xpedite Report)

<sup>38</sup> Proportion of children at school entry who are developmentally vulnerable in one or more domains of the Australian Early Development Census (source: Department of Education and Early Childhood Development)

<sup>39</sup> Number of first year enrolments in kindergarten/number of three-year-old children based on the previous year's estimated resident population (source: Department of Education and Early Childhood Development/ State of Mildura Rural City's Children and Young People's Report 2014)

- 40 *Number of four-year-old kindergarten enrolments in a long day care or integrated children's service setting  
(source: Children Services Online, Department of Education and Training)*
- 41 *Mean performance score out of seven (source: Community Satisfaction Survey)*
- 42 *Mean performance score out of seven (source: Community Satisfaction Survey)*
- 43 *Mean performance score out of seven (source: Community Satisfaction Survey)*
- 44 *Percentage of 15 to 19 year olds not in education, training or employment (source: Census)*
- 45 *Rate of 15-19 year olds leaving school before completing year 12 or equivalent (Census)*
- 46 *Mean performance score out of seven (source: Community Satisfaction Survey)*
- 47 *Mean performance score out of seven (source: Community Satisfaction Survey)*
- 48 *Mean performance score out of seven (source: Community Satisfaction Survey)*



## 1.5 Arts, Culture and Heritage

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with support to arts and cultural groups <sup>49</sup>	4.34	5.11	5.21	4.33
Art gallery visits – local visitors <sup>50</sup>	59%	57%	60%	61%
Art gallery visits – non-local visitors <sup>51</sup>	41%	43%	40%	39%
Theatre attendance <sup>52</sup>	58,451	54,194	53,533	43,217
Theatre occupancy <sup>53</sup>	53%	62%	54%	56%
Community satisfaction with arts and cultural facilities <sup>54</sup>	4.71	5.35	5.49	4.90
Community satisfaction with arts and cultural programs <sup>55</sup>	4.57	5.15	5.32	4.57
Community satisfaction with accessibility to arts and cultural programs <sup>56</sup>	4.41	5.05	5.19	4.43
Community satisfaction with recognition of local history and cultural heritage <sup>57</sup>	4.44	5.21	5.28	4.35
Community satisfaction with recognition of Indigenous culture in arts and cultural experiences <sup>58</sup>	4.39	5.47	5.43	4.73
Community satisfaction with libraries <sup>59</sup>	5.09	5.63	5.69	5.31
Library usage <sup>60</sup>	13%	12%	11%	10%

<sup>49</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>50</sup> Percentage of local visitors to the Art Gallery and Rio Vista Historic House (source: Mildura Arts Centre records)

<sup>51</sup> Percentage of non-local visitors to the Art Gallery and Rio Vista Historic House (source: Mildura Arts Centre records)

<sup>52</sup> Number of people using the theatre (source: Mildura Arts Centre records)

<sup>53</sup> Number of hours the Mildura Arts Theatre is available/hours Mildura Arts Theatre is used or occupied (source: Mildura Arts Centre records)

<sup>54</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>55</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>56</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>57</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>58</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>59</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>60</sup> Percentage of population who are active library users; that is, borrow materials from the library service at least once a year (source: Annual Survey of Victorian Public Libraries)

## 1.6 Recreation and Sport

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	
Level of participation in sport and recreation activities <sup>61</sup>	77%	82%	79%	77%
Community satisfaction with sporting services <sup>62</sup>	4.49	5.04	5.35	4.44
Community satisfaction with recreation facilities <sup>63</sup>	4.59	4.96	5.13	4.34
Community satisfaction with Council support to clubs <sup>64</sup>	4.49	4.86	5.23	4.34
Community satisfaction with ovals and grounds <sup>65</sup>	4.83	5.14	5.44	4.80
Community satisfaction with swimming pools <sup>66</sup>	4.90	5.17	5.35	4.74
Community satisfaction with indoor sports centres <sup>67</sup>	4.16	4.44	4.80	4.11

<sup>61</sup> Percentage of respondents who participate one or more times per week in a sport or physical recreation activity (source: Community Satisfaction Survey)

<sup>62</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>63</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>64</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>65</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>66</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>67</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

## Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the Budget 2019-2020.

Major Initiative	Progress
Develop Mildura South Regional Sporting Precinct	<p><b>In Progress</b></p> <p>The project is 42 per cent complete at the end of the year. The expected completion date of Stage 1 is mid-2021.</p>

## Services

The following statement provides information in relation to the services funded in the Budget 2019-2020 and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Aged and Disability Services</b>	This service provides a range of home and community care services for the aged and people with a disability including home care, personal care, respite care, home maintenance and planned activity groups.	983 <u>1,769</u> 786
<b>Community Health</b>	This service provides family-oriented support services including universal and enhanced <u>maternal and child health</u> and immunisation.	678 <u>1,073</u> 395
<b>Early Years</b>	Provides family day care, centre-based child care and other early years planning and programs such as Best Start and supported playgroups.	141 <u>284</u> 143
<b>Youth Services</b>	This service provides youth-oriented services including education programs, personal development programs, and health and safety programs.	474 <u>487</u> 13
<b>Environmental Health</b>	This service protects the community's health and well-being through coordination of regulatory services of premises for <u>food safety</u> , accommodation, hair and beauty, skin penetration businesses, tobacco retailers, smoke free legislation and wastewater disposal. The service also works to rectify any public health concerns relating to unreasonable noise emissions, air quality issues and smells etc.	539 <u>511</u> (28)

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Libraries</b>	<p>This service provides public <b><u>libraries</u></b> at five locations plus the pop-up mobile library service to four remote locations and support to a Library Agency. It provides a customer focused service that caters for the cultural, educational and recreational needs of residents and visitors.</p> <p>The service also provides a focal point for the community where they can meet, relax and enjoy the facilities, programs and services offered.</p>	2,021 <u>1,989</u> (32)
<b>Recreation and Sport</b>	<p>This service includes management of recreation facilities (wet and dry) including <b><u>aquatic facilities</u></b>, facility redevelopment, and provision of grant funding for grass roots participation.</p>	2,099 <u>1,950</u> (149)
<b>Community Development</b>	<p>This service has the responsibility to support and develop community initiatives listed in individualised, township-based community plans and to strengthen the local community's capacity to drive its own growth, economic, social and physical development. The service is a conduit between Council services and the wider community.</p>	1,904 <u>2,382</u> 478
<b>Arts and Culture</b>	<p>This service provides arts and culture activities throughout the municipality with the delivery of visual and performing arts programs and services at Mildura Arts Centre across gallery and heritage, community cultural development, marketing and development (including customer service/box office ticketing, café and theatre) and technical services. The service includes presentation of an entrepreneur program in both the visual and performing arts through funding from Creative Victoria, as well as the venue hires of the theatre auditorium and foyer spaces for community, corporate and commercial organisations.</p>	1,267 <u>1,440</u> 173

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Arts and Culture</b> con/d	In addition, this service includes overseeing Mildura's most important heritage building Rio Vista Historic House, as well as Mildura Station Homestead.	
<b>Social Development and Projects</b>	This service has the responsibility to frame and respond to the challenges of social inclusion across a broad range of areas. It is the responsibility of this service to ensure that issues of a social policy nature are responded to appropriately by Council. The area also manages a broad range of specific project based initiatives including Advancing Country Towns, Northern Mallee Community Partnership and community safety.	119 <u>483</u> 364
<b>Civic Compliance</b>	This service provides staff at school crossings throughout the municipality to ensure that all pedestrians, but mainly school aged children, are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment, providing <b><u>animal management</u></b> services including a cat trapping program, a dog and cat collection service, a lost and found notification service, a pound service, a registration and administration service, an after-hours service and an emergency service. It also provides education, regulation and enforcement of the general local law and relevant state legislation.	567 <u>371</u> (196)

## Service Performance Indicators

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

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Aquatic Facilities</b>				
<b>Service standard</b>				
<b>AF2 - Health inspections of aquatic facilities</b>	7.11	8.44	8.78	6.56
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]				
<b>Utilisation</b>				
<b>AF6 - Utilisation of aquatic facilities</b>	8.72	8.71	4.28	5.55
[Number of visits to aquatic facilities / Municipal population]				
<b>Service Cost</b>				
<b>AF7 – Cost of aquatic facilities</b>	New in 2020	New in 2020	New in 2020	\$7.88
[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]				
<b>AF4 – Cost of indoor aquatic facilities</b>	\$3.06	\$3.08	\$8.44	Retired in 2020
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]				
<b>AF5 – Cost of aquatic facilities</b>	\$20.39	\$16.67	\$22.00	Retired in 2020
[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]				

### Comments:

**AF2:** Council remains committed to ensuring public aquatic facilities are regularly inspected to maintain high standards of public health. Council has consistently maintained a high level of inspections. A lower result has been reported in 2019-2020 due to the closure of aquatic facilities for a three-month period due to COVID-19.

**AF6:** Access to and utilisation of aquatic facilities demonstrates the effectiveness of Council's aquatic facilities service. The considerable reduction in 2018-2019 was due to the change in data collection methodology. The methodology in 2019-2020 has returned to the previous methodology. However, the visitation has not returned to 2017-2018 levels due to the facility being closed for approximately three months due to COVID-19.

**AF7:** This is a new measure that demonstrates efficient service provision of aquatic facilities to our community. Council's aquatic facilities had high community visitation (notwithstanding the impact of COVID-19).

**AF4 & AF5:** This measure was replaced by AF7 from 1 July 2019.

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Animal Management</b>				
<b>Timeliness</b>				
<b>AM1 - Time taken to action animal requests</b>	1.00	1.00	1.00	1.00
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]				
<b>Service standard</b>				
<b>AM2 - Animals reclaimed</b>	38.14%	37.09%	25.11%	37.28%
[Number of animals reclaimed / Number of animals collected]				
<b>AM5 - Animals rehomed</b>				
[Number of animals rehomed / Number of animals collected] x 100	New in 2020	New in 2020	New in 2020	44.64%
<b>Service cost</b>				
<b>AM6 - Cost of animal management service per population</b>	New in 2020	New in 2020	New in 2020	\$10.26
[Direct cost of the animal management service / Population]				
<b>AM3: Cost of animal management service</b>				
[Direct cost of the animal management service / Number of registered animals]	\$37.51	\$40.50	\$51.22	Retired in 2020
<b>Health and safety</b>				
<b>AM7- Animal management prosecutions</b>	New in 2020	New in 2020	New in 2020	0.00%
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100				

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>AM4: Animal management prosecutions</b>	1	0	0	Retired in 2020
[Number of successful animal management prosecutions]				

#### Comments:

**AM1:** The Council standard for actioning animal management requests is on the day of request.

**AM2:** Animals reclaimed has improved. However, there continues to be a high number of animals unregistered within the municipality and continuing high numbers of unregistered animals received (at the Animal Pound) originating from NSW. Council will continue to encourage animal registration and responsible pet ownership. Council will continue with follow up phone calls and property inspections to ensure as many animals as possible are registered within the municipality.

**AM5:** Council is committed to rehoming of animals and will continue to foster and develop positive relationships with local and regional rehoming organisations.

**AM6:** Increased costs are as a direct result of additional staffing required for animal management services, provision of capital equipment and contracted services to comply with relevant animal management regulations and legislation.

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Food Safety</b>				
<b>Timeliness</b>				
<b>FS1 - Time taken to action food complaints</b>	4.23	1.54	2.83	2.06
[Number of days between receipt and first response action for all food complaints / Number of food complaints]				
<b>Service standard</b>				
<b>FS2 - Food safety assessments</b>	78.95%	62.94%	29.77%	39.58%
[Number of registered Class 1 food premises and Class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i> ] x 100				



Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Service cost</b>				
<b>FS3 - Cost of food safety service</b>	\$472.11	\$409.46	\$310.53	\$416.62
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i> ]				
<b>Health and safety</b>				
<b>FS4 - Critical and major non-compliance outcome notifications</b>	87.50%	89.00%	92.86%	74.55%
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications] x 100				

**Comments:**

**FS1:** Improvement is the direct result of a focus on improved service delivery and follow up to ensure early contact with the business following receipt of a complaint.

**FS2:** Though improvement has been achieved, Council identifies this as an area for ongoing improvement in service delivery. Council continues to experience difficulty in recruiting and retaining suitably qualified Environmental Health Officers. A Cadet Environmental Health Officer position has been established to achieve a more sustainable workforce.

**FS3:** Increased costs are as a direct result of having achieved adequate staffing levels for most of the reporting period.

**FS4:** Service delivery is impacted by the availability of suitably qualified Environmental Health Officers. Council continues to prioritise its response given the nature of the non-compliance notification and available resources.

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Libraries</b>				
<b>Utilisation</b>				
<b>LB1 – Physical library collection usage</b>	3.26	2.90	2.91	2.41
[Number of physical library collection item loans / Number of physical library collection items]				
<b>Resource standard</b>				
<b>LB2 – Recently purchased library collection</b>	49.79%	50.20%	50.22%	55.30%
[Number of library collection items purchased in the last 5 years / Number of library collection items] x 100				
<b>Participation</b>				
<b>LB4 - Active library borrowers in municipality</b>	12.93%	12.28%	11.33%	11.09%
[The sum number of active library borrowers in the last three financial years / The sum of the population for the last three financial years] x 100				
<b>Service Cost</b>				
<b>LB5 – Cost of library service per population</b>	New in 2020	New in 2020	New in 2020	\$51.29
[Direct cost of the library service / Population]				
<b>LB3 - Cost of library service</b>	\$14.24	\$14.21	\$15.71	Retired in 2020
[Direct cost of the library service / Number of visits]				

**Comments:**

**LB1:** While there has been a reducing trend in utilisation of physical library collections since 2016-2017, the reduction in utilisation in 2019-2020 is primarily attributable to the Library Service being closed for 11 weeks due to COVID-19 and then on restricted hours for June.

**LB2:** Council is committed to renewal of its library collection and during 2019-2020 a focus was made on additional purchasing of digital material including e-Books and e-Audiobooks during the period of library closures due to Covid-19. Also during closure, library staff worked to catalogue and process new materials into the collection.

**LB4:** This indicator now measures the number of active library borrowers instead of the number of active library members. This explains the slightly lower result for 2020. Social distancing restrictions and library closures due to COVID-19 has also impacted on our 2019-2020 result.

**LB5:** Council provides a wide range of library services, including four branch libraries, one library agency and a mobile service delivering a pop-up service to four remote, sparsely populated small townships. The Mobile Library continued to deliver service to one rural town in the municipality while a new building was being completed. The breadth of this service impacts on the cost-effectiveness, combined with the Mildura branch opening seven days per week and servicing interstate customers and an increasing inter-library loan service throughout Victoria.

**LB3:** This measure was replaced by LB5 from 1 July 2019.

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Maternal and Child Health (MCH)</b>				
<b>Service standard</b>				
<b>MC2 - Infant enrolments in the MCH service</b>	100.00%	100.00%	100.00%	104.48%
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100				
<b>Service cost</b>				
<b>MC3 - Cost of the MCH service</b>	\$64.95	\$70.29	\$69.94	\$61.44
[Cost of the MCH service / Hours worked by MCH nurses]				
<b>Participation</b>				
<b>MC4 - Participation in the MCH service</b>	77.61%	79.90%	81.17%	73.05%
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100				
<b>MC5 - Participation in the MCH service by Aboriginal children</b>	55.53%	58.96%	67.53%	68.94%
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100				
<b>MC6 – Participation in four-week Key Age and Stage visit</b>	New in 2020	New in 2020	New in 2020	100.46%
[Number of four-week key age and stage visits / Number of birth notifications received] x 100				

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Satisfaction</b>				
<b>MC1:</b> <i>Participation in first MCH home visit</i>	107.9%	108.9%	106.7%	Retired in 2020
[Number of first MCH home visits / Number of birth notifications received] x 100				

**Comments:**

**MC2:** Result is consistent with previous years.

**MC3:** Service adaption in response to COVID-19 as well as workforce gaps has impacted the cost of service delivery.

**MC4:** Reduced overall participation is due to COVID-19 service adaptations as directed by the Department of Health and Human Services (DHHS). Closer analysis of the data indicates reduced participation is confined to older babies and children which aligns with DHHS directives regarding essential service delivery.

**MC5:** Mildura Rural City Council's Maternal and Child Health service remains committed to providing cultural inclusive and safe care. The trend continues to show increased participation by Aboriginal families. Mallee District Aboriginal Service also provides a Maternal and Child Health service with some Aboriginal clients choosing to attend this service.

**MC6:** Mildura Rural City Council's Maternal and Child Health service continues to prioritise timely support and care through the Maternal and Child Health Service working in collaboration with the local early year's sector. Additional percentage above 100 per cent of are babies born in tertiary hospitals outside of our local government area or alternatively New South Wales residents who choose to use the Victorian service.

**MC1:** This measure was replaced by MC6 from 1 July 2019.

## Strategic Objective 2: Environment



### Strategic Indicators

The following statement reviews the performance of Council against the Community and Council Plan, including results achieved in relation to the strategic indicators included in the Community and Council Plan.

#### 2.1 Environmental Sustainability

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with protection of natural bushland <sup>68</sup>	4.39	4.70	4.75	4.10
Community satisfaction with management of wetlands <sup>69</sup>	4.35	4.59	4.63	3.87
Energy usage (MRCC) <sup>70</sup>	4,655	4,534	4,644	4,346
Energy usage (community) <sup>71</sup>	484,406	484,406	445,603	431,881
Water usage (MRCC) <sup>72</sup>	1,230	1,584	1,694	1,576
Recycled water usage <sup>73</sup>	157	214	227	212
Total community water usage <sup>74</sup>	12,118	13,689	14,493	15,094
Alternative energy generation (community) <sup>75</sup>	14,395	18,297	24,191	29,878
Alternative energy generation (MRCC) <sup>76</sup>	401.2	415.6	415.6	441.1
Pest plant and pest animals control <sup>77</sup>	-	2,514	3,315	3,181
Community involvement in environmental education programs <sup>78</sup>	2,627	2,389	2,669	1,597

<sup>68</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>69</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>70</sup> Megawatt hours (source: MRCC Energy Data collection through Planet Foot Print)

<sup>71</sup> Megawatt hours (source: Powercor)

<sup>72</sup> Megalitres (source: MRCC Water Monitoring, LMW and Planet Footprint)

<sup>73</sup> Megalitres (source: MRCC water data monitoring)

<sup>74</sup> Megalitres of Urban Water (Lower Murray Water)

<sup>75</sup> KW of installed capacity on private property (source: Powercor)

<sup>76</sup> KW of solar panels installed (source: MRCC solar installation records)

<sup>77</sup> Hectares of area for rabbit and weed control

<sup>78</sup> Number of participants in environmental programs (source: MRCC Internal records)

## 2.2 Waste

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with waste management <sup>79</sup>	4.88	4.61	4.59	3.58
Community satisfaction with kerbside rubbish collection <sup>80</sup>	5.39	5.17	5.00	4.00
Community satisfaction with kerbside recycling collection <sup>81</sup>	5.17	5.04	4.87	4.08
Community satisfaction with landfills/public transfer stations <sup>82</sup>	4.92	4.69	4.74	3.85
Total waste generation <sup>83</sup>	34,602	36,601	38,104	52,766
Waste deposited to landfill <sup>84</sup>	23,434	25,489	27,482	37,688
Waste diverted from landfill <sup>85</sup>	18,491	17,694	14,308	12,968
Quantity of kerbside recycling <sup>86</sup>	5,680	5,483	5,159	5,397
Community satisfaction with litter control <sup>87</sup>	4.19	4.04	4.10	3.29
Litter collected <sup>88</sup>	2,730	2,384	2,361	2,551

<sup>79</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>80</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>81</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>82</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>83</sup> Tonnes of total waste generated (source: Waste Management KPI Data)

<sup>84</sup> Tonnes of waste deposited to landfill (source: Waste Management KPI Data)

<sup>85</sup> Tonnes of waste diverted from landfill (source: Waste Management KPI Data)

<sup>86</sup> Tonnes of kerbside recycling collected (source: Waste Management KPI Data)

<sup>87</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>88</sup> Tonnes of litter collected

## 2.3 Parks

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with playgrounds <sup>89</sup>	4.58	4.85	5.06	4.31
Community satisfaction with beautification of streetscapes <sup>90</sup>	4.18	4.45	4.40	3.62
Community satisfaction with tree planting <sup>91</sup>	4.28	4.47	4.46	3.60
Community satisfaction with tree maintenance <sup>92</sup>	4.16	4.37	4.32	3.65
Community satisfaction with the appearance of wetlands <sup>93</sup>	4.25	4.38	4.33	3.57
Community satisfaction with public open space (including parks, playgrounds and reserves) <sup>94</sup>	4.65	5.11	5.22	4.39
Net increase in trees <sup>95</sup>	2,272	2,332	1,251	1,340

<sup>89</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>90</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>91</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>92</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>93</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>94</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>95</sup> Number of trees planted minus number of trees removed

## 2.4 Infrastructure, Assets & Facilities

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with the condition of sealed local roads <sup>96</sup>	56	57	57	55
Community satisfaction with maintenance of unsealed roads <sup>97</sup>	-	3.75	3.98	3.05
Community satisfaction with footpaths <sup>98</sup>	3.76	4.22	4.37	3.63
Community satisfaction with drainage <sup>99</sup>	3.96	4.33	4.49	3.66
Community satisfaction with maintenance of public buildings and facilities <sup>100</sup>	4.25	4.55	4.81	4.10

<sup>96</sup> Index Performance Score (source: Local Government Community Satisfaction Survey)

<sup>97</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>98</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>99</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>100</sup> Mean performance score out of seven (source: Community Satisfaction Survey)



## 2.5 Strategic Land Use

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with land use planning <sup>101</sup>	3.56	3.94	4.19	3.15
Percentage of strategic land use projects completed <sup>102</sup>	48%	80%	75%	83%
Community satisfaction with new residential development <sup>103</sup>	-	4.72	4.99	4.23
Community satisfaction with riverfront development and accessibility <sup>104</sup>	4.67	5.26	5.32	4.76
Community satisfaction with urban environments that are safe, sustainable and healthy <sup>105</sup>	24%	24%	29%	25%
Community satisfaction with protection of local character <sup>106</sup>	3.77	4.27	4.52	3.61
Community satisfaction with protection of local heritage <sup>107</sup>	-	4.68	4.86	3.97

<sup>101</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>102</sup> Percentage of strategic plans completed (source: MRCC internal records)

<sup>103</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>104</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>105</sup> Percentage of respondents who agree – score of six or seven out of seven with the statement: “Ours is a community with urban environments that are safe, sustainable and healthy.” (source: Community Satisfaction Survey)

<sup>106</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>107</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

## Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the Budget 2019-2020.

Major Initiative	Progress
Continue planning and design work for Mildura Riverfront Development Project - Stage 2	<b>In progress</b> Currently working with the Victorian Planning Authority, Department of Environment Land Water & Planning and Vic Track to progress planning requirements for the Mildura Riverfront Stage 2 (Vic Track Land). This planning project is due for completion in 2020-2021.
Kerbside Food Organics and Garden Organics: Council is introducing a kerbside Food Organics and Garden Organics (FOGO) service in mid-2020. A FOGO service involves the kerbside collection of food and garden organic material such as food scraps, vegetables, fruit, meat, tea leaves, paper, lawn clippings, small branches, leaves and weeds. This material would ultimately be sent to an EPA approved processing facility to produce a compost product. A kerbside FOGO service is introduced to divert organic material from being disposed of into landfill.	<b>Completed</b> The rollout of the kerbside green bins was successfully completed prior the first collection week starting on 6 July 2020. The diversion rate from landfill has been around 75 per cent from the kerbside system up from a low of around 16 per cent for the 2019-2020 financial year.
Deakin Avenue Redevelopment Seventh - Eighth Street: Council is continuing to develop Deakin Avenue in line with the Deakin Avenue Masterplan between Seventh and Eighth streets. This project will deliver improved urban design through centre aligned pathways, lighting and landscaping while preserving existing limestone and other historical structures. A key element is the management and removal of the existing ageing sugar gums which have reached the end of their useful life.	<b>In progress</b> The design for this project will be completed by December 2020 for construction in the 2021-2022 financial year (subject to Council approval of the project).

Major Initiative	Progress
<p>Playground Strategy: The Mildura Rural City Council local government area is a place that provide opportunities for all children and their families to play safely and creatively in public open space. Playgrounds are a key component of our public open space and will reflect the high quality of public open spaces across the municipality. This Playground Strategy is intended to guide the provision of playground facilities and infrastructure in public open space in Mildura Rural City Council for the next five years.</p>	<p><b>In progress</b></p> <p>The draft strategy is complete following a community survey on playground design and location expectations. The strategy will be finalised for consideration by Council in November/December 2020.</p>
<p>Re-sheet Program - Annual gravel road re-sheeting program. The works program is determined by road asset condition data, road hierarchy, road inspection and reporting and community consultation meetings with rural road users.</p>	<p><b>Incomplete</b></p> <p>Re-sheet Program was 95 per cent completed at end of the year. The delay was due to unfavourable weather conditions.</p>
<p>Asphalt Program - Annual road asphalt resurfacing program. The works program is determined by road asset condition data, road hierarchy and road inspection and reporting.</p>	<p><b>In progress</b></p> <p>Asphalt Program was 84 per cent completed at end of the year. The delay was due to availability of contractors.</p>
<p>Resealing Program - Annual bitumen resealing program. The works program is determined by road asset condition data, road hierarchy and road inspection and reporting.</p>	<p><b>Completed</b></p>
<p>Footpath program - Annual renewal programs. The works program is determined by asset condition data, inspection and reporting. This also includes disability access and kerb and channel works.</p>	<p><b>In progress</b></p> <p>Footpath program was 75 per cent complete at end of the year with works in progress and on track to be completed early August. The delay in the completion was due to availability of contractors.</p>
<p>Stormwater drainage rehabilitation works - annual program of relining and replacement of identified sections of stormwater infrastructure in poor condition.</p>	<p><b>In progress</b></p> <p>Stormwater drainage rehabilitation works was 50 per cent completed at the end of the year. The delay was due to availability of contractors and COVID-19 restrictions.</p>

Major Initiative	Progress
Public Toilet Strategy: Commence implementation of the public toilet strategy that guides location, design, safety and prioritising delivery of Council owned and managed assets that are well designed, accessible and easy to maintain.	<p><b>In progress</b></p> <p>Design Development for:</p> <ul style="list-style-type: none"> <li>• Ninth Street Public Toilet</li> <li>• Kmart Public Toilet</li> <li>• Rio Vista/Lock 11 Public Toilet</li> <li>• Lake Cullulleraine Community Hub Public Toilet Facilities Underway</li> </ul> <p>Demolition Plans are being developed for:</p> <ul style="list-style-type: none"> <li>• Old Brick Public Toilet Mildura Recreation Reserve</li> <li>• Deakin Avenue Median Strip Public Toilets</li> </ul>
Continue to advocate for funding for Mildura Future Ready Strategy.	<p><b>Completed</b></p> <p>Advocacy has been completed with 44.3 per cent of funding being achieved and waiting on state budget to confirm any further funding.</p>

## Services

The following statement provides information in relation to the services funded in the Budget 2019-2020 and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Engineering Services</b>	This service undertakes design, tendering, contract, project management, and supervision of various infrastructure works within Council's capital works program. The service also approves and supervises private development activities such as subdivisions and infrastructure associated with unit developments.	2,196 <u>2,411</u> 215
<b>Asset Management</b>	This service prepares long-term maintenance management programs for Council's infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These assets include road and drainage networks, municipal buildings, pavilions and other recreational equipment and outdoor spaces.	1,286 <u>1,587</u> 301
<b>Works and Infrastructure Services</b>	This service inspects and maintains Council's main civil infrastructure assets in a sustainable and prioritised manner to a defined service level. These include <u>roads</u> , laneways, car parks, footpaths, shared/bike paths and Council's drainage network. The service also includes delivery of civil capital works projects, plus inspection and maintenance of VicRoads arterial roads located within the municipality.	7,408 <u>7,062</u> (346)

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Statutory Planning</b>	The <b><u>Statutory Planning</u></b> service processes all planning applications, provides advice and makes decisions about development proposals that require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal, where necessary. It monitors Council's planning scheme, as well as preparing major policy documents shaping the future of the city. It also prepares and processes amendments to the Council planning scheme and carries out research on demographic, urban development, economic and social issues affecting Council.	906 <u>830</u> (76)
<b>Building Facilities</b>	This service is responsible for the maintenance, operations, upgrade and renewal of Council's building asset portfolio.	6,638 <u>6,338</u> (300)
<b>Parks Services</b>	This service is divided into several operational units including tree pruning, planting, removal of vegetation, planning and street tree strategies. It provides for the management of conservation and parkland areas, and other areas of environmental significance.	6,539 <u>6,513</u> (26)
<b>Waste Management</b>	This service provides <b><u>waste collection</u></b> and waste management services, including kerbside garbage and recycling collection, the operation of three landfills and eight rural transfer stations, litter bin collection, street sweeping, bin maintenance and event bins.	7,888 <u>8,036</u> 148
<b>Building and Enforcement</b>	This service provides statutory building services to the Council community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	174 <u>291</u> 117

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Environmental Sustainability</b>	This service develops, coordinates and implements environmental policy, plans, strategies and initiatives, and works with other services to improve Council's environmental performance. Reducing energy and water usage within Council operations, protecting and enhancing Council managed natural areas and roadsides, and educating the community are key priority areas for environmental sustainability.	604 <u>626</u> 22
<b>Strategic Planning</b>	Strategic Planning monitors Council's planning scheme, as well as consulting and preparing major policy documents shaping the future of the city. It also prepares and processes amendments to the Council planning scheme and carries out research on demographic, urban development, economic and social issues affecting Council.	873 <u>1,064</u> 191

## Service Performance Indicators

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

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Roads</b>				
<b>Satisfaction of use</b>				
<b>R1 - Sealed local road requests</b>	14.47	15.24	10.69	11.60
[Number of sealed local road requests / Kilometres of sealed local roads] x 100				
<b>Condition</b>				
<b>R2 - Sealed local roads maintained to condition levels</b>	89.03%	92.27%	90.46%	86.48%
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100				
<b>Service cost</b>				
<b>R3 - Cost of sealed local road reconstruction</b>	\$27.13	\$43.46	\$52.65	\$135.60
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]				
<b>R4 - Cost of sealed local road resealing</b>				
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]				
	\$5.43	\$4.86	\$5.03	\$4.85
<b>Satisfaction</b>				
<b>R5 - Satisfaction with sealed local roads</b>	56	57	57	55
[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]				
<b>Comments:</b>				
<b>R1:</b> A slight increase in road requests can be attributed to climatic conditions such as roads affected by drift sand.				



**R2:** While there has been a slight decrease in the result for this year, the overall focus has been on maintaining local sealed roads to a standard that provides a safer and more accessible road network for the community.

**R3:** This rate increase is reflective of a number of recent major reconstruction projects requiring significant pavement construction works in this reporting period. This has included a number of reconstructed roundabouts and an industrial road reconstruction that are more costly projects than straightforward road reconstruction works.

**R4:** This rate decrease represents the drop in bitumen supply price which the industry experienced throughout the reporting period.

**R5:** The community satisfaction level with the sealed local roads is comparable with previous year's results.

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Statutory Planning</b>				
<b>Timeliness</b>				
<b>SP1 - Time taken to decide planning applications</b>	68.00	69.00	56.00	50.00
[The median number of days between receipt of a planning application and a decision on the application]				
<b>Service standard</b>				
<b>SP2 - Planning applications decided within 60 days</b>	76.31%	70.53%	79.80%	86.76%
[Number of planning application decisions made within 60 days / Number of planning application decisions made] x 100				
<b>Service cost</b>				
<b>SP3 - Cost of Statutory Planning service</b>	\$2,384.07	\$1,860.88	\$3,068.34	\$2,221.22
[Direct cost of Statutory Planning service / Number of planning applications received]				

Service/Indicator/Measure	Results			
	2017	2018	2019	2020

### ***Decision making***

**SP4 - Council planning decisions upheld at the Victorian Civil and Administrative Tribunal (VCAT)**      85.71%      75.00%      83.33%      85.71%

[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100

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### **Comments:**

**SP1:** The introduction of electronic lodgement and application process improvements have reduced the time taken to decide planning applications.

**SP2:** The introduction of electronic lodgement and application process improvements have contributed to an increase in applications decided within timeframes.

**SP3:** Statutory planning service delivery costs have reduced given staff vacancies and the delay in filling these positions and reduced direct costs associated with VCAT and contracted legal services.

**SP4:** Council had 14 permit applications determined at VCAT. Council's decision was set aside by VCAT for two of these applications.

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Waste Collection</b>				
<b>Satisfaction</b>				
<b>WC1 - Kerbside bin collection requests</b>	107.77	95.81	103.60	115.26
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1,000				
<b>Service standard</b>				
<b>WC2 - Kerbside collection bins missed</b>	3.74	3.18	4.21	4.38
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000				
<b>Service cost</b>				
<b>WC3 - Cost of kerbside garbage bin collection service</b>	\$69.52	\$67.16	\$69.59	\$71.21
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]				
<b>Service cost</b>				
<b>WC4 - Cost of kerbside recyclables collection service</b>	\$52.91	\$57.26	\$90.69	\$73.76
[Direct cost of the kerbside recyclables bin collection]				
<b>Waste diversion</b>				
<b>WC5 - Kerbside collection waste diverted from landfill</b>	32.90%	32.25%	30.36%	17.83%
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100				

**Comments:**

**WC1:** The introduction and rollout of a kerbside Food Organics and Garden Organics (green bin service) has resulted in an increase of kerbside service requests in the lead up to its implementation.

**WC2:** Missed bins are following a consistent trend to previous years. Missed bins will always occur as part of our kerbside collection services. Council ensures that missed bins are collected soon as possible after they are reported and analyses the missed bin data to address any underlining issues.

**WC3:** The slight increase in the cost of the kerbside garbage is due to the increase in the Landfill Levy and an increase in the annual operational costs to continue to provide the same level of service to the community.

**WC4:** Cost significantly reduced as Council was only paying for collection (not processing) during the SKM shutdown.

**WC5:** Diversion rates have been reduced due to the closure of Council's recycling processor for a period of three months and a drop in community participation as a result of this closure. Diversion rates are expected to increase significantly with the introduction of a food and organics collection service in July 2020.

## Strategic Objective 3: Economy



### Strategic Indicators

The following statement reviews the performance of Council against the Community and Council Plan, including results achieved in relation to the strategic indicators included in the Community and Council Plan.

#### 3.1 Economic Development and Tourism

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with encouragement and growth of business/industry <sup>108</sup>	3.59	4.17	4.18	3.13
Building activity <sup>109</sup>	\$135M	\$170M	\$174M	\$174M
Gross Regional Product <sup>110</sup>	\$2.50B	\$2.68B	\$2.66B	-
Jobs created <sup>111</sup>	-	-	-	-
Investment achievements for the region <sup>112</sup>	\$120.0M	\$135.0M	-	-
Export data by industry <sup>113</sup>	-	-	-	-
Telecommunications uptake <sup>114</sup>	-	-	-	-
Yield of tourism <sup>115</sup>	\$288M	\$313M	\$352M	\$290M
Industry satisfaction with services provided by Mildura Regional Development <sup>116</sup>	-	-	-	-
Community satisfaction with tourism services <sup>117</sup>	4.14	4.61	4.69	3.64
Customer satisfaction with visitor services <sup>118</sup>	90.05%	90.88%	91.02%	91.47%
Industry satisfaction with visitor services <sup>119</sup>	67.34%	68.44%	68.86%	68.18%

<sup>108</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>109</sup> Dollar value of applications approved by Council and building industry (source: MRCC internal records)

<sup>110</sup> Gross Regional Product for Mildura Rural City (Source: REMPLAN economy report, Mildura Regional Development)

<sup>111</sup> Not being measured

<sup>112</sup> Data not available for 2019

<sup>113</sup> Not being measured

<sup>114</sup> Not being measured

<sup>115</sup> Tourism visitor dollar spend (source: Mildura Regional Development)

<sup>116</sup> Not being measured

<sup>117</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>118</sup> Percentage of customers rating Visitor Information Centre staff knowledge as either 'good or "very good" (source: Visitor Information Centre Customer Survey)

<sup>119</sup> The extent to which staff provide professional services to visitors (source: Community Satisfaction Survey undertaken by Mildura Visitor Information Centre with industry, measuring category of excellence)

### 3.2 Events

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with conferences and major events <sup>120</sup>	-	4.29	4.22	3.15
Community satisfaction with small community events <sup>121</sup>	4.11	4.54	4.70	3.58

<sup>120</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>121</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

### Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the Budget 2019-2020.

Major Initiative	Progress
Funds provided to Mildura Regional Development to achieve economic and tourism outcomes for the community	Completed

## Services

The following statement provides information in relation to the services funded in the Budget 2019-2020 and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Economic Development and Tourism</b>	<p>The economic development and tourism service assists the organisation:</p> <ul style="list-style-type: none"> <li>to facilitate growth within Council by working with industry and business to grow/sustain existing business and develop new investment opportunities</li> <li>to encourage and form strategic alliances with key stakeholders in industry and government to help build a vibrant and sustainable community</li> <li>to commit to working in partnership with Mildura Regional Development to maximise economic development within the Council region through specialised projects and initiatives</li> <li>through facilitation of tourism enquiries and booking of accommodation. The Visitor Information Centre (VIC) is responsible for assistance and providing specialised services that are tailored to meet customer and client needs.</li> </ul>	<p>2,565</p> <p><u>3,218</u></p> <p>653</p>
<b>Events</b>	<p>The business conferencing and event services are responsible for assistance and facilitation of business enquiries, events and conferencing. Services are specialised and tailored to meet customer and client needs.</p>	<p>845</p> <p><u>1,066</u></p> <p>221</p>



### Strategic Indicators

The following statement reviews the performance of Council against the Community and Council Plan, including results achieved in relation to the strategic indicators included in the Community and Council Plan.

#### 4.1 Leadership & Representation

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with overall performance of Council <sup>122</sup>	60	59	57	55
Community perception of Mildura Rural City as a place to live <sup>123</sup>	57	65	60	41
Percentage of Community and Council Plan implemented <sup>124</sup>	83	61	59	69
Community satisfaction with advocacy <sup>125</sup>	54	53	55	55
Community satisfaction with the performance of the elected Council <sup>126</sup>	3.30	3.95	4.02	2.65
Community satisfaction with Council's engagement in decision making <sup>127</sup>	3.24	3.88	3.93	2.58

<sup>122</sup> Index Performance Score (source: Local Government Community Satisfaction Survey)

<sup>123</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>124</sup> Percentage of annual Community and Council Plan actions implemented (source: Council Plan Reporting System)

<sup>125</sup> Index Performance Score for: "How has Mildura Rural City Council performed on 'Lobbying on behalf of the community' over the last 12 months?" (source: Local Government Community Satisfaction Survey)

<sup>126</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>127</sup> Mean performance score out of seven (source: Community Satisfaction Survey)



## 4.2 Communication and Engagement

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with Council newsletters and publications <sup>128</sup>	3.94	4.31	4.46	3.60
Community satisfaction with Council's online presence <sup>129</sup>	-	4.40	4.69	3.65
Community satisfaction with information Council provides about its services <sup>130</sup>	3.92	4.32	4.34	3.29
Community satisfaction with overall communication from Council <sup>131</sup>	3.66	4.14	4.26	3.11
Community satisfaction with the promotion of Council services, facilities, events and achievements <sup>132</sup>	-	4.43	4.58	3.56
Community satisfaction with Council's engagement in decision making <sup>133</sup>	3.24	3.88	3.93	2.58
Community satisfaction with community consultation and engagement <sup>134</sup>	58	56	56	54
Community satisfaction with Council's responsiveness to community input and feedback <sup>135</sup>	3.16	3.75	3.76	2.42

<sup>128</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>129</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>130</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>131</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>132</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>133</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>134</sup> Index Performance Score (source: Local Government Community Satisfaction Survey)

<sup>135</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

### 4.3 Customer Service

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with accessibility to whole of Council <sup>136</sup>	3.49	4.14	4.36	3.14
Community satisfaction with responsiveness to complaints <sup>137</sup>	3.48	4.04	4.20	2.86
Community satisfaction with responsiveness to requests <sup>138</sup>	3.55	4.09	4.27	3.10
Community satisfaction with general courtesy of Council staff <sup>139</sup>	4.79	5.03	5.25	4.52
Community satisfaction with general effectiveness of Council staff <sup>140</sup>	4.22	4.62	4.75	3.83
Community satisfaction with customer contact <sup>141</sup>	70	71	70	68

<sup>136</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>137</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>138</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>139</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>140</sup> Mean performance score out of seven (source: Community Satisfaction Survey)

<sup>141</sup> Index Performance Score (source: Local Government Community Satisfaction Survey)

## 4.4 Financial Sustainability

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Adjusted underlying position <sup>142</sup>	11.01	11.62	6.69	10.51
Asset renewal gap <sup>143</sup>	0.80	0.75	0.74	0.82
Level of internal financing <sup>144</sup>	38	44	46	47
Level of borrowings <sup>145</sup>	44	48	53	54
Liquidity <sup>146</sup>	267.42	425.98	507.85	418.25
Capital replacement <sup>147</sup>	1.42	1.37	1.13	2.02
Community satisfaction with value for money <sup>148</sup>	3.04	3.64	3.71	2.52

<sup>142</sup> *Operating result / Operating revenue x 100 (source: Annual Financial Statements and working papers)*

<sup>143</sup> *Renewal expenditure / Depreciation (source: Annual Financial Statements and working papers)*

<sup>144</sup> *Net operating cash flows / Own source revenue (source: Annual Financial Statements and working papers)*

<sup>145</sup> *Non-current liabilities / Own-sourced revenue (source: Annual Financial Statements and working papers)*

<sup>146</sup> *Current assets / Current Liabilities x 100 (source: Annual Financial Statements and working papers)*

<sup>147</sup> *Capital spend (Capital Works expenditure) / Depreciation expense (source: Annual Financial Statements and working papers)*

<sup>148</sup> *Mean performance score out of seven (source: Community Satisfaction Survey)*

## 4.5 Organisational Management

Strategic Indicator/Measure	Result – Financial Year Ending			
	2017	2018	2019	2020
Community satisfaction with overall performance of Council <sup>149</sup>	60	59	57	55
Organisational score against the Australian Business Excellence Framework <sup>150</sup>	-	-	-	-
Organisational Alignment <sup>151</sup>	52%	-	57%	-
Organisational Engagement <sup>152</sup>	67%	-	71%	-
Percentage of risk audit actions completed on time <sup>153</sup>	-	21%	19%	52%
Overall staff satisfaction <sup>154</sup>	5.35	-	5.42	-
Percentage of staff who would recommend Mildura Rural City Council as a place to work <sup>155</sup>	67%	-	71%	-

<sup>149</sup> Index Performance Score (source: Local Government Community Satisfaction Survey)

<sup>150</sup> Score out of 1,000 (source: Business Excellence Awards Feedback Report)

<sup>151</sup> Percentage favourable score (Insync Surveys Alignment and Engagement Survey)

<sup>152</sup> Percentage favourable score (Insync Surveys Alignment and Engagement Survey)

<sup>153</sup> Percentage of risk audit actions completed on time (source: MRCC Audit Committee Tracking Register)

<sup>154</sup> Mean performance score for “My overall satisfaction with Mildura Rural City Council – All Staff” (source: Alignment & Engagement Survey)

<sup>155</sup> Percentage favourable - Score of six and seven out of seven for: “I would recommend Mildura Rural City Council as a workplace to my family and friends.” – all staff (source: Alignment and Engagement Survey)

## Services

The following statement provides information in relation to the services funded in the Budget 2019-2020 and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Chief Executive Office</b>	This area of <b><u>governance</u></b> includes the Mayor, Councillors, Chief Executive Officer and associated support.	1,722 <u>1,637</u> (85)
<b>Organisational Development</b>	This service provides Council with strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resource, industrial relations, and occupational health and safety services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units. It also includes the payment of salaries and wages to Council employees.	2,127 <u>2,140</u> 13
<b>Marketing and Communications</b>	This service works with all areas of the organisation to ensure the community is informed about and involved in Council decisions, services, projects and facilities. Key tasks include media liaison, online communications, website management, publication development, graphic design, advertising and marketing.	692 <u>987</u> 295
<b>Customer Service</b>	Customer Service is the first point of contact the public has with Council and acts as the interface between the organisation and the community. This service provides face-to-face service in three Council service centres, call centre operations, processes customer requests and payments, and issues permits and receipts. Customer Service staff also provide internal administrative support to the whole organisation.	1,301 <u>1,531</u> 230

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Financial Services</b>	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, raising and collection of rates and charges, and valuation of properties throughout the municipality.	815 <u>677</u> (138)
<b>Information Systems</b>	This service enables and supports the information and communication technology (ICT) needs of all of Council. This encompasses all mobile and fixed voice, data record management, GIS and software applications across all sites and field operations to all staff enabling the timely and efficient delivery of services to the community.	4,106 <u>4,683</u> 577
<b>Governance and Risk</b>	This area provides a range of governance and statutory services. Services include legislative compliance, maintenance of public registers and coordination of Council meetings, coordination of legal services, insurance, business risk management and business continuity services. It also provides leadership in emergency management through planning for disaster emergencies and coordinating emergency services and support agencies in their planning and response to emergencies.	2,054 <u>1,740</u> (314)
<b>Procurement and Fleet</b>	This service purchases and maintains Council vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet. In addition, it also provides procurement and contracting of services.	(1,972) <u>(2,279)</u> (307)

## Service Performance Indicators

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

Service/Indicator/Measure	Results			
	2017	2018	2019	2020
<b>Governance</b>				
<b>Transparency</b>				
<b>G1 - Council resolutions at meetings closed to the public</b>	20.47%	22.97%	14.84%	30.28%
[Number of Council resolutions made at Ordinary or Special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at Ordinary or Special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100				
<b>Consultation and engagement</b>				
<b>G2 - Satisfaction with community consultation and engagement</b>	58	56	56	54
[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]				
<b>Attendance</b>				
<b>G3 - Council attendance at Council meetings</b>	91.11%	94.07%	84.31%	90.74%
[The sum of the number of Councillors who attended each Ordinary and Special Council meeting / (Number of Ordinary and Special Council meetings) x (Number of Councillors elected at the last Council general election)] x 100				
<b>Service cost</b>				
<b>G4 - Cost of elected representation</b>	\$39,001	\$42,563	\$41,054	\$42,292
[Direct cost of the governance service / Number of councillors elected at the last Council general election]				

Service/Indicator/Measure	Results			
	2017	2018	2019	2020

### **Satisfaction**

**G5 - Satisfaction with Council decisions** 56 54 53 50

[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]

### **Comments:**

**G1:** This result reflects the level of financial delegations held by senior officers with 41 per cent of all confidential matters in 2019-2020 being contractual.

**G2:** Performance in this area decreased two points in 2019-2020. However, the result is significantly higher than the Regional Centres group average.

**G3:** Councillor attendance decreased in 2018-2019 due to a number of Councillors taking extended leave of absence due to participating in state and federal elections, and illness.

**G4:** This result remains consistent and reflects the cost implications of a large rural municipality.

**G5:** Performance in this area decreased three points in 2019-2020. However, this result remains in line with the Regional Centres group average.



# Governance, Management and Other Information

## Governance

Mildura Rural City Council is constituted under the *Local Government Act 1989* to provide leadership for the good governance of the municipal district and the local community.

Council has a number of roles including:

- taking into account the diverse needs of the local community in decision-making
- providing leadership by establishing strategic objectives and monitoring achievements
- ensuring that resources are managed in a responsible and accountable manner
- advocating the interests of the local community to other communities and governments
- fostering community cohesion and encouraging active participation in civic life.

We are committed to effective and sustainable forms of democratic and corporate governance, which are key to ensuring that Council and our administration meet the community's priorities. The community has many opportunities to provide input into decision-making processes including community consultation, public forums and information sessions, and the ability to make submissions to key community strategies and plans.

Our formal decision-making processes are conducted through Council meetings and forums. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted policies.

## Meetings of Council

Council conducts open public meetings on the fourth Wednesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to Council. For the 2019-2020 year, the following meetings were held:

- twelve Ordinary Council meetings
- six Special Council meetings.

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2019–2020 financial year.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Simon Clemence (Mayor)	12	6	18
Cr Glenn Milne	12	6	18
Cr Greg Brown	12	4	16
Cr Anthony Cirillo	11	4	15
Cr Mark Eckel	11	6	17
Cr Jason Modica	11	6	17
Cr Min Poole	9	4	13
Cr Gavin Sedgmen	11	6	17
Cr Helen Healy	10	6	16

*Note: Councillors were eligible to attend 12 Ordinary and six Special Council meetings during 2019-2020.*

### **Special Committees**

The *Local Government Act 1989* allows councils to establish one or more special committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

There were no special committees established in the 2019-2020 financial year.

### Advisory and Key Strategic Committees

Various Councillors and staff also play a role in the advisory and key strategic committees listed in the following table. This list of committees is not exhaustive.

Committee	Purpose
Aboriginal Action Committee	The purpose of the Aboriginal Action Committee is to improve and enhance the wellbeing of the Aboriginal community in the Mildura Rural City Council municipality.
Alliance of Councils for Rail Freight Development	Made up of 24 rural and regional local government councils from central and western Victoria, and southern New South Wales, the Alliance of Councils for Rail Freight Development aims to ensure appropriate rail infrastructure is in place to service our region.
Calder Highway Improvement Committee	To advocate for the maintenance and upgrade of this prime transport link for both Bendigo and Mildura, which is critical in terms of the ongoing economic and social development of our region.
Central Murray Regional Transport Forum	The Central Murray Regional Transport Forum is a local government-driven body representing the interests of its member councils and shires across all forms of transport (road, rail and air) with a view to developing an efficient, safe and well maintained transport network for the region.
Central Victorian Greenhouse Alliance Board	An alliance of 13 local governments, to drive action on climate change across central and northwest Victoria.
CEO Employment Matters Committee	To assist Council in fulfilling its responsibilities relating to CEO employment matters.
Chaffey Trail Reference Group	To create greater awareness, usage and prestige associated with the Chaffey Trail experience in our region and beyond.
Disability Access Advisory Committee	To enable the community to advise on the priority accessibility needs of people with disabilities within the municipality.
Finance Advisory Committee	To assist Council in discharging its duties and responsibilities relating to the awarding of contracts and management of Council's investment and borrowing portfolio.
Local Aboriginal Justice Advisory Committee	To improve justice outcomes and reduce contact with the justice system for the Mildura Aboriginal community.

Committee	Purpose
Loddon Mallee Waste and Resource Recovery Group	To support its five member councils to plan and manage for waste and recycling for all residents by educating the community about the “three Rs” (reduce, reuse and recycling) as well as how to lessen the impact of waste and litter on the environment.
Mildura Arts and Culture Advisory Board	To engage with the community on arts issues and actively participate in the promotion of arts related issues.
Mildura Cemetery Trust	To provide burial facilities and services to the community of Mildura and the surrounding areas.
Mildura Recreation Reserve Reference Group	To advise Council of issues relating to the reserve including joint management policies, major planning and operational issues, development of priority improvement programs and major usage issues.
Municipal Emergency Management Planning Committee	To assess and review hazards facing the municipality using the Community Emergency Risk Assessment process, and to prepare the Municipal Emergency Management Plan, which documents preparedness, response and recovery of operational arrangements.
Murray-Darling Association	To provide a focus for local government and community participation in the major natural resource issues of the Murray-Darling Basin.
Murray River Group of Councils	To combine the strategies and efforts of each council for a more effective approach to achieving common goals and providing a stronger and more complete representation of regional issues for each council.
Northern Mallee Community Partnership	To establish the platform for a true community sector partnership incorporating health, education, local government, police, justice and welfare.
Northwest Municipalities Group	To combine the strategies and efforts of each council in the north-west region for a more effective approach to achieving common goals and providing a stronger, more complete representation of regional issues for each council.
Northwest Rail Alliance	To advocate for the reinstatement of passenger rail between Maryborough and Mildura.

Committee	Purpose
Old Aerodrome Sporting Complex Advisory Committee	To advise Council of issues relating to the reserve including joint management policies, major planning and operational issues, development of priority improvement programs and major usage issues.
Regional Cities Victoria	To combine the strategies and efforts of Victoria's 10 regional cities for a more effective approach to common goals and addressing shared issues.
Sister Cities Association	To provide an umbrella of support and promote the sister city relationships many cities, municipalities and shires in Australia have with a cities or towns overseas, or within Australia.
Sunraysia Highway Improvement Committee	To advocate for the maintenance and upgrade of this prime transport link alongside other stakeholder councils.
Youth Advisory Committee	The Youth Advisory Committee program aims to get young people actively involved in their local communities by participating in youth-related projects, conducting events and influencing decisions on issues important to young people.

### Code of Conduct

The *Local Government Act 1989* required councils to develop and approve a Councillor Code of Conduct within 12 months of each general election. On 21 February 2017, Council adopted a revised Councillor Code of Conduct. The Code of Conduct is designed to:

- Assist Councillors to maintain the highest standards of conduct and behaviour, as well as providing a means for dealing with problems that they may encounter
- Attract the highest level of confidence from Council's stakeholders and to assist the Mayor, Deputy Mayor and Councillors in appropriately discharging their public office
- Introduce specific rules of conduct for Councillors (and members of special committees), internal dispute resolution processes and procedures relating to conflicts of interest.

The Code of Conduct also outlines:

- The responsibility of Councillors
- Councillor behaviours
- Council decision-making
- Good governance and transparency
- Confidential information
- Access to and use of Council information

- Use of Council resources (including funds and property)
- Relationship with staff
- Conflict of interest procedures
- Dispute resolution procedures
- Register of interest returns
- Candidature for state or federal elections.

### **Conflict of Interest**

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires Councillors to act in the public interest. When a Council delegates its powers to a Council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflicts of interest. During 2019–2020, 24 conflicts of interest were declared at Council meetings and 12 conflicts of interest were declared at Assembly of Councillor Meetings.

### **Councillor Allowances**

In accordance with Section 74 of the *Local Government Act 1989*, Councillors are entitled to receive an allowance while performing their duties. The Mayor is also entitled to receive a higher allowance.

The state government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. We are recognised as a category two Council.

For the period 1 July 2019 to 1 December 2019, the Councillor annual allowance for a category 2 Council (as defined by the *Local Government Act 1989*) was fixed at \$25,729 per annum and the allowance for the Mayor was \$79,612 per annum. The Minister for Local Government approved an annual adjustment of two per cent to take effect as from 1 December 2019. The annual allowances were adjusted for the period 1 December 2019 to 30 June 2020 at \$26,244 per annum for the Councillor allowance and \$81,205 per annum for the Mayoral allowance. An amount equivalent to the superannuation guarantee under Commonwealth taxation legislation (currently 9.5 per cent) is payable in addition to these allowances.

The following table contains a summary of the total allowances paid to each Councillor during the 2019-2020 financial year.

Councillors	Allowance \$
Cr Simon Clemence	\$88,193.07
Cr Mark Eckel	\$28,502.25
Cr Anthony Cirillo	\$28,502.25
Cr Greg Brown	\$28,502.25
Cr Glenn Milne	\$28,502.25
Cr Jason Modica	\$28,502.25
Cr Min Poole	\$28,502.25
Cr Gavin Sedgmen	\$28,502.25
Cr Helen Healy	\$28,502.25

### Councillor Expenses

In accordance with Section 75 of the *Local Government Act 1989*, Council is required to reimburse a Councillor for expenses incurred while performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council committee paid by the Council. The details of the expenses, including reimbursement of expenses paid for each Councillor paid by the Council for the 2019-2020 year, are set out in the following table. No expenses were paid by Council including reimbursements to members of Council committees during the year.

Councillors	TR \$	CM \$	M/C \$	IC \$	TCE \$	CC \$	Total \$
Cr Simon Clemence (Mayor)	4,308		157	264	1,039	0	5,768
Cr Greg Brown	5,678	9,320	0	264	0	0	15,262
Cr Anthony Cirillo	0	0	0	264	0	0	264
Cr Helen Healy	718	143	75	530	7,944	0	9,410

Councillors	TR \$	CM \$	M/C \$	IC \$	TCE \$	CC \$	Total \$
Cr Glenn Milne	4,957	4,770	263	1,150	1,035	0	12,175
Cr Mark Eckel	689	1,337	175	1,150	272	0	3,623
Cr Jason Modica	4,100	1,966	389	1,082	944	0	8,481
Cr Min Poole	4,563	3,024	216	1,150	136	0	9,089
Cr Gavin Sedgmen	0	0	0	467	23	0	490
<b>Legend:</b> TR -Travel and Accommodation CM – Car Mileage M/C – Catering/Meals IC – Information and Communication Expenses TCE – Conferences and Training expenses CC – Child care							

## Management

We have implemented a number of statutory and better practice items to strengthen our management framework. Having strong governance and management frameworks leads to better decision-making. The Act requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its report of operations. Our Governance and Management Checklist results are set out in the following section. These items have been highlighted as important components of the management framework.

### Audit and Risk Committee

The Audit and Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit and Risk Committee consists of three independent members:

- Mr Frank Piscioneri (Chairperson from 1 November 2018)
- Ms Maria Carrazza
- Mr Max Folie
- Ms Mary Rydberg (appointed on 26 February 2020)

and two Councillors:

- Mayor Cr Simon Clemence
- Deputy Mayor Cr Min Poole (replaced Cr Jason Modica in November 2019)

Independent members are appointed for a three-year term, with a maximum of two terms. The chair is elected from among the independent members.



The Audit and Risk Committee meets six times per year. The Chief Executive Officer, General Manager Corporate and Manager Financial Services attend all Audit and Risk Committee meetings. Other management representatives attend as required to present reports. A standing invitation to attend all Audit and Risk Committee meetings is extended to the Internal Auditor, who at a minimum attends those meetings where internal audit matters are to be considered. The external auditors attend in March to present the Audit Plan and in September to present the Independent Audit Report.

Recommendations from each Audit and Risk Committee meeting are subsequently reported to and considered by Council.

### **Internal Audit**

Our internal audit function provides independent and objective assurance that the appropriate processes and controls are in place. A risk-based four-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers our risk framework, the Community and Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit and Risk Committee annually.

The Internal Auditor attends Audit and Risk Committee meetings to report on the status of the SIAP and to present findings of completed reviews. Where required, the responsible branch manager for each area reviewed attends the Audit and Risk Committee meeting to respond to questions in relation to the review. All audit issues identified are risk rated. Recommendations are assigned to the responsible branch manager and tracked in our performance management system. Bi-monthly status updates on internal audit recommendations are reported to the Executive Leadership Team and reviewed by the Internal Auditor and the Audit and Risk Committee.

Quality assurance is measured through client satisfaction surveys for each review, the annual Audit and Risk Committee self-assessment, completion of the Internal Audit Plan and benchmarking against other internal audit functions.

The following reviews were undertaken as part of the SIAP for 2019–2020:

- Lease and Agreements
- Childcare Financial Management Practices
- Mildura Regional Development
- Follow Up of Previous Internal Audit Findings.

**External Audit**

Victorian councils are externally audited by the Victorian Auditor-General. For the 2019–2020 year, the annual external audit of our Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative, Crowe Australasia. The external auditors attend the March and September Audit and Risk Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

**Risk Management**

The current Risk Management Framework and Policy was adopted in 2015 and provides for the management of business enterprise risks in accordance with best practice guidelines and International Standard ISO 31000.

The Risk Management Framework and Policy addresses items such as:

- Risk management culture and branding
- Communication and training
- Best practice in risk management
- Responsibilities of and to internal and external stakeholders
- Risk registers and risk management software development
- The Council planning cycle, budget cycle and annual audit cycle
- A performance measurement system to determine the effectiveness of the framework.

## Governance and Management Checklist

The following are the results in the prescribed form of our assessment against the prescribed Governance and Management Checklist.

Column 1 Governance and Management Items	Column 2 Assessment
1. <b>Community engagement policy</b> (policy outlining council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 28 May 2015 <input checked="" type="checkbox"/>
2. <b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 8 February 2017 <input checked="" type="checkbox"/>
3. <b>Strategic Resource Plan</b> (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 29 July 2020 <input checked="" type="checkbox"/>
4. <b>Annual budget</b> (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 29 July 2020* <input checked="" type="checkbox"/>
5. <b>Asset management plans</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: Stormwater Drainage - 27 August 2015 Road Network - 28 January 2016 Buildings - 27 June 2018 <input checked="" type="checkbox"/>
6. <b>Rating strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 22 May 2019 <input checked="" type="checkbox"/>

Column 1 Governance and Management Items	Column 2 Assessment
7. <b>Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 28 May 2015 <input checked="" type="checkbox"/>
8. <b>Fraud policy</b> (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 27 June 2018 <input checked="" type="checkbox"/>
9. <b>Municipal emergency management plan</b> (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 26 September 2018 <input checked="" type="checkbox"/>
10. <b>Procurement policy</b> (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 24 June 2020 <input checked="" type="checkbox"/>
11. <b>Business continuity plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: 27 March 2012 <input checked="" type="checkbox"/>
12. <b>Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 8 July 2014 <input checked="" type="checkbox"/>
13. <b>Risk management framework</b> (framework outlining council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 7 March 2017 <input checked="" type="checkbox"/>

Column 1 Governance and Management Items	Column 2 Assessment
14. <b>Audit Committee</b> (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act  Date of establishment: 7 November 1996  <input checked="" type="checkbox"/>
15. <b>Internal audit</b> (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Engaged  Date of engagement of current provider: 9 June 2016  <input checked="" type="checkbox"/>
16. <b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework  Date of operation of current framework: 1 July 2014  <input checked="" type="checkbox"/>
17. <b>Council Plan reporting</b> (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Reports  Annual Plan 2018-2019 Quarter Four Report - 14 August 2019  Strategic Outcome Measures Report 2018-2019 - 13 November 2019  Annual Plan 2019-2020 Quarter One Report - 13 November 2019  Annual Plan 2019-2020 Quarter Two Report - 12 February 2020  Annual Plan 2019-2020 Quarter Three Report - 13 May 2020  <input checked="" type="checkbox"/>

Column 1 Governance and Management Items	Column 2 Assessment
18. <b>Financial reporting</b> (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	<p>Statements presented to council in accordance with section 138(1) of the Act</p> <p>Date statements presented:</p> <p>Annual Financial Statements: 11 September 2019</p> <p>Quarterly Statement No 1 27 November 2019</p> <p>Quarterly Statement No 2 26 February 2020</p> <p>Quarterly Statement No 3 27 May 2020</p> <input checked="" type="checkbox"/>
19. <b>Risk reporting</b> (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	<p>Quarterly reports</p> <p>Date of reports:</p> <p>Risk Management Report No 1: 30 September 2019</p> <p>Risk Management Report No 2: 31 December 2019</p> <p>Risk Management Report No 3: 31 March 2020</p> <p>Risk Management Report No 4: 30 June 2020</p> <input checked="" type="checkbox"/>
20. <b>Performance reporting</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	<p>Reports</p> <p>Date of reports: 12 September 2019 18 March 2020</p> <input checked="" type="checkbox"/>
21. <b>Annual report</b> (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	<p>Considered at a meeting of council in accordance with section 134 of the Act</p> <p>Date statements presented: 23 October 2019</p> <input checked="" type="checkbox"/>

Column 1 Governance and Management Items	Column 2 Assessment
22. <b>Councillor Code of Conduct</b> (Code under section 76c of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76c of the Act Date reviewed: 21 February 2017 <input checked="" type="checkbox"/>
23. <b>Delegations</b> (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act <input checked="" type="checkbox"/> Date of review: S5 Instrument of Delegation to the Chief Executive Officer - 23 February 2017 S6 Instrument of Delegation Members of Staff - 22 April 2020 S7 Instrument of Sub-delegation by CEO 26/03/2020 S12 Instrument of Delegation and Authorisation by Municipal Building Surveyor 24/02/2020 S13 Instrument of Delegation of CEO Powers, duties and functions 26/03/2020 S14 Instrument of Delegation by CEO for VicSmart Applications under the Planning and Environment Act 1987 28/08/2019 Instrument of Delegation from the Waterway Manager to Members of Council Staff 26/06/2019 Instrument of Delegation Children's Services Legislation Council to Members of Staff 25/07/2018 Instrument of Delegation Children's Services Legislation CEO to Members of Staff 25/07/2018.
24. <b>Meeting procedures</b> (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act <input checked="" type="checkbox"/> Date local law made: 28 January 2016

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



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**Sarah Philpott**  
Chief Executive Officer

Dated: 12 October 2020



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**Cr Simon Clemence**  
Mayor

Dated: 12 October 2020



## Statutory Information

The following information is provided in accordance with legislative and other requirements applying to Council.

### Documents Available for Public Inspection

In accordance with Regulation 12 of the *Local Government (General) Regulations 2015*, the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the *Local Government Act 1989* at 108 Madden Avenue, Mildura:

- A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months
- The agendas for, and minutes of, Ordinary and Special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting that was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- The minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- A register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- A document containing details of all leases involving land that were entered into by the Council as lessor, including the lessee and the terms and the value of the lease
- A register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- A list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

### Best Value

In accordance with section 208B(f) of the *Local Government Act*, at least once every year Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles. We incorporate Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and innovation, which is supported by our Sustainable Excellence Program. To further reflect our commitment to Best Value, we have commenced a Service Planning Sustainability Review Program, which is being rolled out to the whole organisation. This program provides additional review and improvement mechanisms to ensure services achieve best practice standards in regard to service performance.

The following Best Value initiatives were undertaken during 2019–2020:

Service sustainability reviews completed:

- Parks and Gardens

Major continuous improvement activities [eg Plan-Do-Study-Act (PDSA)/Approach-Deployment-Results-Improvement (ADRI)] undertaken during 2019-2020 included:

- Implementation of the Better Approvals project to deliver a greater customer experience for business owners applying for new permits. A single application on our website and a business concierge role from existing resources within our Customer Support area were implemented as part of this project.
- Improved processes and controls for applications for land manager consent, venue hire and road reserve event applications. This continuous improvement activity includes a recommended customer liaison role, which is to be implemented from existing resources within our Governance and Risk area.
- Transitioned to an online payment gateway to improve efficiency across a number of areas, including swimming pool registration, parking infringement and new animal registrations.
- Implemented online forms for municipal rates concessions and financial hardship due to COVID-19.

### **Carers' Recognition**

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under Section 11 of that Act. We have taken all practicable measures to comply with our responsibilities as outlined in the *Carers Recognition Act 2012*.

We have also promoted the principles of the Act to people in care relationships who receive our services, to people in care relationships and to the wider community by:

- Distributing printed material through relevant Council services
- Providing information to organisations represented in Council/community networks (eg. Aged Care Advisory Network Group)
- Implementing the Mildura Carer Blueprint in conjunction with Carers Australia (Victoria)
- Working in partnership with the local representative of Carers Victoria (Mildura) on community projects
- Working in partnership with the local Dementia Australia Service (Mildura) on community projects
- Working in partnership with the Mildura and District Aboriginal Service (Mildura) on community projects
- Providing support to people with a disability and their carers within the community through workshops and online forums

- Implementing the five-day Seniors Festival aimed at clients and their carers
- Participating in local community events with a carer focus
- Promoting and celebrating National Carers' Week.

We have taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for staff working in Aged and Disability Services and frontline positions with the general community
- Induction and training programs for volunteers working directly with the community
- Staff participation in Working with Carers and the Caring Relationship training.

We have taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship and provided the following additional activities and resources to recognise the care relationship:

- Flexible respite services for carers
- Flexible service delivery and increased support for clients and carers during the COVID-19 pandemic
- Carers Victoria information regarding the Community Relief Program and supports for carers during COVID-19 pandemic
- Implementation of the use of the Carers' Gateway to support carers to access appropriate services
- An assessment service that is inclusive of the care recipient and carer's needs
- Review of services to meet the changing needs of the care recipient and carer
- Support for carers to transition to the National Disability Insurance Scheme
- Referral of people with a disability and their carers to appropriate agencies for support
- Linking people through referral processes into:
  - Carer support groups
  - Dementia Australia
  - Mildura and District Aboriginal Services
  - Rights Information and Advocacy Centre and Access Support Services
  - Sunraysia Mallee Ethnic Communities Council
  - Palliative Care Service.
- Individual care plans, which have been developed and implemented to meet the care recipient and carer's needs
- Resources regarding support for carers

- An Annual Calendar, and Young at Heart community newsletter to promote carers support services, Carers' Gateway and National Carers' Week.

### **Contracts**

In 2019-2020, we did not enter into any contracts valued at \$150,000 or more for goods and services, or \$200,000 or more for works of a kind specified in section 186(5)(a) and (c) of the Act without engaging in a competitive process. We also did not enter into any other contracts valued at \$150,000 or more for goods and services, or \$200,000 or more for works without engaging in a competitive process.

### **Disability Action Plan**

In accordance with section 38 of the *Disability Act 2006*, as Council has prepared a Disability Action Plan (called the Community Access and Inclusion Plan 2014-2018), we must report on the implementation of the plan in our annual report. We have commenced the development of a new Inclusion Strategy, which will take the place of the Community Access and Inclusion Plan. However, actions completed in 2019-2020 under the Community Access and Inclusion Plan include:

- The identification of 111 trip hazards
- Developing an Easy English brochure about the Disability Access Advisory Committee
- Addressing 21 access items through the Disability Access Advisory Committee
- Promoting and supporting a range of recreational, social and cultural events and activities to ensure accessibility for people with a disability, including International Day for People with a Disability, Scooter Muster and Writeability Victoria sessions.
- Assisting the Sunraysia Autism Group with school holiday programs, the Sunraysia Men's Shed with the provision of woodworking session for autistic boys, and EACH with information sessions about understanding behaviours in autism
- Employing a person with a disability to work for Mildura Rural City Council for four months, following a successful funding application
- Providing Disability Awareness Training to eight Council staff
- Providing new disability parks at the Murray Pines Cemetery, near the Mallee Accommodation and Support Program building and in Feast Street
- Purchase of an aquatic wheelchair and harness for Mildura Waves
- Advocating on employment opportunities for the deaf
- Responding to community requests with advice on a wide range of disability support services and facilities available
- Promoting further awareness of disability services to the community through the Regional Communications Newsletter, posting of 52 events/information on the Yammer site and facilitation of local National Disability Insurance Scheme (NDIS) sessions
- Awarding 12 grants that allow community groups to support people with a disability
- Awarding 70 grants to allow community groups to purchase equipment and uniforms, build shade structures and support events and programs for our community.

### **Domestic Animal Management Plan**

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

The current Mildura Rural City Council DAMP for 2017-2021 has been adopted and in place for the past three years.

Actions include the ongoing success of the Responsible Pet Ownership Scheme. In accordance with this scheme, in 2019-2020 we distributed a further 200 vouchers totalling \$25,000 in value to dog and cat owners within the municipality to assist them with de-sexing and microchipping of their pets. It is an ongoing commitment by Council to Responsible Pet Ownership within our municipality.

Our Civic Compliance Department has also taken a proactive approach to dogs off leash and dog litter issues. Daily patrols have occurred over the past 12 months with many animal owners unaware of the laws regarding these issues. The Rio Vista Off-Leash Dog Park has also been patrolled.

Work is ongoing to improve the Rio Vista Off-Leash Dog Park. A review has been undertaken by the Off-Leash Dog Park Advisory Committee. The Committee has worked together to produce an improved design draft for the park. Improvements include small and large dog areas, appropriate fencing, more water sources, further shade and seating, and appropriate signage among other improvements.

We have also improved the Animal Management Service with the addition of a custom built stock trailer with occupational health and safety compliant demountable stockyard panels to make it easier to collect livestock safely and efficiently. Civic Compliance have seen an increasing need for the collection of stray livestock and the trailer ensures easy handling of the animals for the officers, while reducing the stress on the animals during loading and transport.

The development of the Mildura Animal Pound Masterplan, which will outline our vision for the Pound, has continued. Under the Masterplan, it is intended to enhance the capabilities of Mildura Pound to meet emerging community expectations, while continuing to meet statutory requirements, moving forward.

### **Food Act Ministerial Directions**

In accordance with Section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. No such Ministerial Directions were received during the financial year.

### **Freedom of Information**

In accordance with Section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in its annual report or separately such as on its website, concerning its functions and information available. We have published these statements separately but provide the following summary of the application and operation of the *Freedom of Information Act 1982*.

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

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

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

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

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

### **Public Interest Disclosure (formally Protected Disclosure) Procedures**

In accordance with Section 69 of the *Public Interest Disclosure Act 2012*, a council must include in its annual report information about how to access the procedures established by the Council under Part 9 of that Act. We are also required to provide certain information about the number and types of public interest disclosure complaints investigated during the financial year.

The *Public Interest Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on our website.

There were no public interest disclosures made during the 2018-2019 financial year.

### **Road Management Act Ministerial Directions**

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

### **Infrastructure and Development Contributions**

In accordance with Section 46GM and 46QD of the *Planning and Environment Act 1987*, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions, including levies and works in kind. The report must be published in a Council's annual report.

For the 2019-2020 year, the following information about infrastructure and development contributions is disclosed.

### Infrastructure Contributions

In relation to financial reports for the infrastructure contributions plans (ICPs), to date no funds have been expended on community infrastructure projects. (Note that in the Mildura Development Contributions Plan, these projects are referred to as “Community Infrastructure” as opposed to “Development Infrastructure”.)

### Development Contributions

#### *Total DCP Levies Received in 2019-2020*

DCP Name (Year Approved)	Levies Received in 2019-2020 Financial Year	\$
DCP01 (2005)	398,273.53	
DCP02 (2006)	72,206.52	
DCP03 (2007)	11,781.37	
<b>Total</b>	<b>482,261.42</b>	

#### *DCP Land, Works, Services or Facilities Accepted as Works In-Kind in 2019-2020*

DCP Name (Year Approved)	Project ID	Project Description	Item Purpose	Total Project Value	\$
DCP01 (2005)	OS005	Linear Reserves and Parks OS005	Land for public open space	99,834.59	
DCP01 (2005)	DG001	Mildura South Scheme DG001	Drainage infrastructure	472,173.29	
DCP02 (2006)	DG006	Irymple Drainage Works	Drainage infrastructure	352,066.90	
<b>Total</b>				<b>572,007.88</b>	

As Mildura Rural City Council does not have any DCPs that were approved after 1 June 2016, there are no DCP contributions received and expended to date for DCPs approved after 1 June 2016.

***Land, Works, Services or Facilities Delivered in 2019-2020 from DCP Levies Collected***

Project Description	Project ID	DCP Name (Year Approved)	DCP Fund Expended	Works-In-Kind Accepted	Council's Contribution	Other Contributions	Total Project Expenditure	Percentage of Item Delivered
			\$	\$	\$	\$	\$	
Mildura South Scheme DG001	DG001	DCP01 (2005)	0.00	477,370.04	0.00	0.00	477,370.04	0.74%
Linear Reserves and Parks OS005	OS005	DCP02 (2005)	0.00	99,834.59	0.00	0.00	99,834.59	1.26%
Stormwater Retention – Mildura South OS002	OS002	DCP01 (2006)	114,263.16	0.00	86,900.16	0.00	\$201,163.32	0.02%
<b>Total</b>			<b>114,263.16</b>	<b>577,204.63</b>	<b>86,900.16</b>	<b>0.00</b>	<b>778,367.95</b>	



## Part 2: Financial Statements



Mildura Rural City Council

Annual Financial Report  
For the Year Ended 30 June 2020

# Mildura Rural City Council

## Financial Report

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## Certification of the Financial Statements

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



Mark McMillan CPA  
Principal Accounting Officer

**Date:** 12 October 2020  
Mildura

In our opinion the accompanying financial statements present fairly the financial transactions of Mildura Rural City Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Simon Clemence  
Councillor

**Date:** 12 October 2020  
Mildura



Min Poole  
Councillor

**Date:** 12 October 2020  
Mildura



Sarah Philpott  
Chief Executive Officer

**Date:** 12 October 2020  
Mildura

## Independent Auditor's Report

### To the Councillors of Mildura Rural City Council



<b>Opinion</b>	<p>I have audited the consolidated financial report of Mildura Rural City Council (the council) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"><li>• consolidated entity and council balance sheet as at 30 June 2020</li><li>• consolidated entity and council comprehensive income statement for the year then ended</li><li>• consolidated entity and council statement of changes in equity for the year then ended</li><li>• consolidated entity and council statement of cash flows for the year then ended</li><li>• consolidated entity and council statement of capital works for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• certification of financial statements.</li></ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

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

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

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

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

MELBOURNE  
22 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

## Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	Consolidated		Council	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Rates and charges	3.1	72,432	70,077	72,580	70,219
Statutory fees and fines	3.2	2,203	2,398	2,203	2,398
User fees	3.3	10,334	12,493	5,712	6,392
Grants - operating	3.4	25,816	24,965	25,816	24,965
Grants - capital	3.4	8,388	7,865	8,388	7,865
Contributions - monetary	3.5	1,412	1,919	1,312	1,737
Contributions - non monetary	3.5	924	2,853	924	2,853
Net gain/(or loss) on disposal of property, infrastructure, plant and equipment	3.6	(3,365)	(1,393)	(3,194)	(1,393)
Other income	3.7	7,387	7,981	6,816	7,238
Asset recognition	3.8	1,024	1,649	1,024	1,649
<b>Total income</b>		<b>126,555</b>	<b>130,807</b>	<b>121,581</b>	<b>123,923</b>
<b>Expenses</b>					
Employee costs	4.1	(50,989)	(49,622)	(47,589)	(46,213)
Materials and services	4.2	(37,056)	(33,487)	(36,443)	(32,662)
Depreciation	4.3	(18,253)	(19,316)	(16,827)	(17,891)
Amortisation - intangible assets	4.4	(157)	(136)	(157)	(136)
Amortisation - right of use assets	4.5	(85)	-	(76)	-
Bad and doubtful debts	4.6	(194)	(309)	(80)	(309)
Borrowing costs	4.7	(1,082)	(1,092)	(1,031)	(1,088)
Finance costs - leases	4.8	(56)	-	(53)	-
Other expenses	4.9	(1,350)	(8,090)	(1,201)	(7,937)
<b>Total expenses</b>		<b>(109,222)</b>	<b>(112,052)</b>	<b>(103,457)</b>	<b>(106,236)</b>
<b>Surplus/(deficit) for the year</b>		<b>17,333</b>	<b>18,755</b>	<b>18,124</b>	<b>17,687</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods</b>					
Net asset revaluation increment/(decrement)	9.1(a)	15,304	66,149	15,292	66,113
Net financial asset revaluation increment/(decrement)	9.1(c)	-	-	(779)	1,104
<b>Total comprehensive result</b>		<b>32,637</b>	<b>84,904</b>	<b>32,637</b>	<b>84,904</b>

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



### Balance Sheet As at 30 June 2020

		Consolidated		Council	
		2020	2019	2020	2019
	Note	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5.1	81,823	77,363	76,328	72,393
Trade and other receivables	5.1	6,932	7,547	7,178	6,845
Other financial assets	5.1	2,850	2,850	2,850	2,850
Inventories	5.2	569	582	563	574
Other assets	5.2	1,378	1,597	1,340	1,554
<b>Total current assets</b>		<b>93,552</b>	<b>89,939</b>	<b>88,259</b>	<b>84,216</b>
<b>Non-current assets</b>					
Trade and other receivables	5.1	-	-	4,476	4,808
Other financial assets	5.1	1,750	1,750	1,750	1,750
Right-of-use assets	5.8	1,403	-	1,112	-
Other assets	5.2	-	-	51,641	52,423
Property, infrastructure, plant and equipment	6.2	898,039	865,535	846,633	813,405
Intangible assets	5.2	11,421	10,870	11,300	10,761
<b>Total non-current assets</b>		<b>912,613</b>	<b>878,155</b>	<b>916,912</b>	<b>883,147</b>
<b>Total assets</b>		<b>1,006,165</b>	<b>968,094</b>	<b>1,005,171</b>	<b>967,363</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	5.3	3,045	2,383	2,704	1,983
Trust funds and deposits	5.3	1,518	2,237	1,511	2,231
Unearned income	5.3	3,797	-	3,778	-
Provisions	5.5	12,023	11,491	11,869	11,269
Interest-bearing liabilities	5.4	1,106	1,121	1,154	1,100
Lease liabilities	5.8	351	-	86	-
<b>Total current liabilities</b>		<b>21,840</b>	<b>17,232</b>	<b>21,102</b>	<b>16,583</b>
<b>Non-current liabilities</b>					
Provisions	5.5	27,905	27,085	27,842	27,049
Interest-bearing liabilities	5.4	17,644	18,682	17,478	18,635
Lease liabilities	5.8	1,512	-	1,484	-
<b>Total non-current liabilities</b>		<b>47,061</b>	<b>45,767</b>	<b>46,804</b>	<b>45,684</b>
<b>Total liabilities</b>		<b>68,901</b>	<b>62,999</b>	<b>67,906</b>	<b>62,267</b>
<b>Net assets</b>		<b>937,264</b>	<b>905,095</b>	<b>937,265</b>	<b>905,096</b>
<b>Equity</b>					
Accumulated surplus		387,851	375,611	353,658	340,627
Reserves	9.1	549,413	529,484	583,607	564,469
<b>Total Equity</b>		<b>937,264</b>	<b>905,095</b>	<b>937,265</b>	<b>905,096</b>

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

## Statement of Changes in Equity For the Year Ended 30 June 2020

Consolidated	Note	Accumulated Revaluation			Other
		Total	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2020</b>					
Balance at beginning of the financial year		905,095	375,611	490,840	38,644
Impact of change in accounting policy - AASB 15					
Revenue from Contracts with Customers	10	(3,379)	(3,379)	-	-
Impact of change in accounting policy - AASB 16					
Leases	5.8	(465)	(465)	-	-
Prior period adjustment	5.5(b) & 9.1(a)	3,376	3,376	-	-
Adjusted opening balance		904,627	375,143	490,840	38,644
Surplus/(deficit) for the year		17,333	17,333	-	-
Net asset revaluation increment/(decrement)	6.2, 5.2(c), 9.1	15,304	-	15,304	-
Transfers to other reserves	9.1(b)	-	26,237	-	(26,237)
Transfers from other reserves	9.1(b)	-	(30,862)	-	30,862
		32,637	12,708	15,304	4,625
<b>Balance at end of the financial year</b>		<b>937,264</b>	<b>387,851</b>	<b>506,144</b>	<b>43,269</b>
<b>2019</b>					
Balance at beginning of the financial year		820,191	369,530	424,691	25,970
Surplus/(deficit) for the year		18,755	18,755	-	-
Net asset revaluation increment/(decrement)	6.2	66,149	-	66,149	-
Transfers to other reserves	9.1(b)	-	17,416	-	(17,416)
Transfers from other reserves	9.1(b)	-	(30,090)	-	30,090
<b>Balance at end of the financial year</b>		<b>905,095</b>	<b>375,611</b>	<b>490,840</b>	<b>38,644</b>

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

Last year there was an error made in calculating the landfill provision required for the rehabilitation of the Ouyen landfill. A prior period adjustment of \$3.761 million has been made to recoup the expense that was shown in last years financial statements. For more details please see Note 5.5(b).

There was also a prior period correction for the waste asset revaluation reserve of \$0.385 million which should have been expensed in 2018-2019. For more details please see Note 6.2 and Note 9.1.

## Statement of Changes in Equity For the Year Ended 30 June 2020

Council	Note	Accumulated Revaluation			Other
		Total	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2020</b>					
Balance at beginning of the financial year		905,096	340,627	490,667	73,802
Impact of change in accounting policy - AASB 15					
Revenue from Contracts with Customers	10	(3,379)	(3,379)	-	-
Impact of change in accounting policy - AASB 16					
Leases	5.8	(465)	(465)	-	-
Prior period adjustment	5.5(b) & 9.1(a)	3,376	3,376	-	-
Adjusted opening balance		904,628	340,159	490,667	73,802
Surplus/(deficit) for the year		18,124	18,124	-	-
Net asset revaluation increment/(decrement)	6.2, 5.2(c), 9.1	14,513	-	15,292	(779)
Transfers to other reserves	9.1(b)	-	26,237	-	(26,237)
Transfers from other reserves	9.1(b)	-	(30,862)	-	30,862
		32,637	13,499	15,292	3,846
<b>Balance at end of the financial year</b>		<b>937,265</b>	<b>353,658</b>	<b>505,959</b>	<b>77,648</b>
<b>2019</b>					
Balance at beginning of the financial year		820,192	335,614	424,554	60,024
Surplus/(deficit) for the year		17,687	17,687	-	-
Net asset revaluation increment/(decrement)	6.2	67,217	-	66,113	1,104
Transfers to other reserves	9.1(b)	-	17,416	-	(17,416)
Transfers from other reserves	9.1(b)	-	(30,090)	-	30,090
<b>Balance at end of the financial year</b>		<b>905,096</b>	<b>340,627</b>	<b>490,667</b>	<b>73,802</b>

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

Last year there was an error made in calculating the landfill provision required for the rehabilitation of the Ouyen landfill. A prior period adjustment of \$3.761 million has been made to recoup the expense that was shown in last years financial statements. For more details please see Note 5.5(b).

There was also a prior period correction for the waste asset revaluation reserve of \$0.385 million which should have been expensed in 2018-2019. For more details please see Note 6.2 and Note 9.1.

### Statement of Cash Flows For the Year Ended 30 June 2020

	Note	Consolidated		Council	
		2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>					
Rates and charges		71,360	70,346	71,508	70,488
Statutory fees and fines		2,203	2,398	2,203	2,398
User fees		13,132	13,993	6,351	5,876
Grants - operating		27,799	26,850	27,108	26,213
Grants - capital		9,206	8,258	9,206	8,258
Contributions - monetary		1,364	1,658	1,378	1,824
Interest received		1,415	2,073	1,494	2,188
Trust funds and deposits taken		4,818	6,305	4,818	6,305
Other receipts		5,583	5,374	5,686	5,467
Net GST refund/(payment)		1,161	766	1,597	1,278
Employee costs		(49,263)	(47,924)	(46,485)	(45,329)
Materials and services		(42,085)	(39,405)	(39,578)	(37,301)
Short-term, low value and variable lease payments		(231)	-	(231)	-
Trust funds and deposits repaid		(4,098)	(5,922)	(4,098)	(5,922)
Other payments		(842)	(1,636)	(842)	(1,636)
<b>Net cash provided by/(used in) operating activities</b>	9.2	<b>41,522</b>	<b>43,134</b>	<b>40,115</b>	<b>40,107</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	6.2	(35,286)	(20,661)	(34,416)	(20,449)
Proceeds from sale of property, infrastructure, plant and equipment		517	539	508	539
Net proceeds from sale of financial assets		-	29	-	29
<b>Net cash provided by/(used in) investing activities</b>		<b>(34,769)</b>	<b>(20,093)</b>	<b>(33,908)</b>	<b>(19,881)</b>

### Statement of Cash Flows For the Year Ended 30 June 2020

	Note	Consolidated		Council	
		2020	2019	2020	2019
		Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from financing activities</b>					
Finance costs		(1,044)	(1,128)	(1,033)	(1,088)
Repayment of borrowings		(1,103)	(771)	(1,103)	(736)
Interest paid - lease liability		(53)	-	(53)	-
Repayment of lease liabilities		(93)	-	(83)	-
<b>Net cash provided by/(used in) financing activities</b>		<b>(2,293)</b>	<b>(1,899)</b>	<b>(2,272)</b>	<b>(1,824)</b>
Net increase/(decrease) in cash and cash equivalents		4,460	21,142	3,935	18,402
Cash and cash equivalents at the beginning of the financial year		77,363	56,221	72,393	53,991
<b>Cash and cash equivalents at the end of the financial year</b>	5.1	<b>81,823</b>	<b>77,363</b>	<b>76,328</b>	<b>72,393</b>

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

### Statement of Capital Works For the Year Ended 30 June 2020

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Property</b>				
Land	1,023	120	1,023	120
<b>Total land</b>	<b>1,023</b>	<b>120</b>	<b>1,023</b>	<b>120</b>
Buildings	11,254	2,619	11,202	2,569
<b>Total buildings</b>	<b>11,254</b>	<b>2,619</b>	<b>11,202</b>	<b>2,569</b>
<b>Total property</b>	<b>12,277</b>	<b>2,739</b>	<b>12,225</b>	<b>2,689</b>
<b>Plant and equipment</b>				
Computers and telecommunications	146	406	136	406
Fixtures, fittings and furniture	230	362	143	344
Library books and art works	288	474	288	474
Plant, machinery and equipment	4,616	4,289	4,036	4,237
<b>Total plant and equipment</b>	<b>5,280</b>	<b>5,531</b>	<b>4,603</b>	<b>5,461</b>
<b>Infrastructure</b>				
Roads	10,229	8,528	10,229	8,528
Bridges	-	19	-	19
Footpaths and cycle ways	599	368	599	368
Drainage	2,576	317	2,576	317
Recreational, leisure and community facilities	1,621	1,312	1,621	1,312
Waste management	219	43	219	43
Parks, open space and streetscapes	1,219	1,130	1,219	1,130
Kerb and channel	69	282	69	282
Off street car parks	1,055	222	1,055	222
Other infrastructure	178	290	-	-
<b>Total infrastructure</b>	<b>17,765</b>	<b>12,511</b>	<b>17,587</b>	<b>12,221</b>
<b>Intangible</b>				
Software	1	78	1	78
<b>Total intangible</b>	<b>1</b>	<b>78</b>	<b>1</b>	<b>78</b>
<b>Total capital works expenditure</b>	<b>35,323</b>	<b>20,859</b>	<b>34,416</b>	<b>20,449</b>

### Statement of Capital Works For the Year Ended 30 June 2020

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>Represented by:</b>				
New asset expenditure	13,816	2,735	13,137	2,665
Asset renewal expenditure	14,135	13,438	14,059	13,325
Asset expansion expenditure	3,110	866	3,034	753
Asset upgrade expenditure	4,261	3,742	4,185	3,628
Intangible asset	1	78	1	78
<b>Total capital works expenditure</b>	<b>35,323</b>	<b>20,859</b>	<b>34,416</b>	<b>20,449</b>

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

## Notes to the Financial Report For the Year Ended 30 June 2020

### OVERVIEW

#### Introduction

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 Mildura Rural City Council's main office is located at 108 - 116 Madden Avenue, Mildura.

#### Statement of compliance

These financial statements are a general purpose financial report that consists of a comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works and notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

#### Significant accounting policies

##### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.2)
- the determination of employee provisions (refer to note 5.5)
- the determination of landfill provisions (refer to note 5.5)
- other areas requiring judgments

The consolidated results in the financial report include all entities controlled and all funds through which the Mildura Rural City Council (Council) controls resources to carry on its functions, such as special committees of management. 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.



## Notes to the Financial Report For the Year Ended 30 June 2020

### (a) Basis of accounting (cont'd)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on Council based on known information. The consideration extends to the nature of services offered, facilities and assets Council manages and operates, Council staffing, ratepayers and the geographic area that Council operates in. The key area of estimate and judgement associated with COVID-19 and Council's financial statements, is detailed in Note 6.2 regarding fair value of property, infrastructure, plant and equipment.

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

### (b) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2020, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements. Consolidated entities of Council are currently not using fair value measurement of their land and buildings. The effects are not considered material.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

Entities consolidated into Council include:

- Mildura Airport Pty Ltd - 100% owned
- Mildura Tourism and Economic Development Ltd trading as Mildura Regional Development - 100% owned

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**Note 1 Performance against budget**

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of 10 percent and \$250,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 26 June 2019. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

<b>1.1 Income and expenditure</b>	<b>Budget 2020 \$'000</b>	<b>Actual 2020 \$'000</b>	<b>Variance 2020 \$'000</b>	<b>Variance % Ref</b>
<b>Income</b>				
Rates and charges	72,514	72,580	66	-
Statutory fees and fines	2,593	2,203	(390)	(15) 1
User fees	6,550	5,712	(838)	(13) 2
Grants - operating	22,116	25,816	3,700	17 3
Grants - capital	16,638	8,388	(8,250)	(50) 4
Contributions - monetary	1,304	1,312	8	1
Contributions - non monetary	1,839	924	(915)	(50) 5
Net gain/(or loss) on disposal of property, infrastructure, plant and equipment	(1,843)	(3,194)	(1,351)	73 6
Other income	5,840	6,816	976	17 7
Asset recognition	-	1,024	1,024	100 8
<b>Total income</b>	<b>127,551</b>	<b>121,581</b>	<b>(5,970)</b>	<b>(5)</b>
<b>Expenses</b>				
Employee costs	(49,077)	(47,589)	1,488	(3)
Materials and services	(36,593)	(36,443)	150	(0)
Depreciation	(20,329)	(16,827)	3,502	(17) 9
Amortisation - intangible assets	(224)	(157)	67	(30)
Amortisation - right of use assets	-	(76)	(76)	- 10
Bad and doubtful debts	(149)	(80)	69	(46)
Borrowing costs	(1,042)	(1,031)	11	(1)
Finance costs - leases	-	(53)	(53)	- 11
Other expenses	(1,431)	(1,201)	230	(16)
<b>Total expenses</b>	<b>(108,845)</b>	<b>(103,457)</b>	<b>5,388</b>	<b>(5)</b>
<b>Surplus/(deficit) for the year</b>	<b>18,706</b>	<b>18,124</b>	<b>(582)</b>	<b>(3)</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**Note 1 Performance against budget (cont'd)**

**(i) Explanation of material variations**

Variance		
Ref	Item	Explanation
1	Statutory fees and fines	Statutory fees and fines have been impacted by the COVID-19 pandemic. One of the measures Council has implemented is that Council has not issued fines for parking and waived other fees due to forced business closures.
2	User fees	Council user fees and charges have been impacted by the COVID-19 pandemic. In part due to lower economic activity and closure of some Council facilities. Relief is also being provided through COVID-19 Community Recovery Fund.
3	Grants - operating	Additional grant funding was received for drought emergency and rate relief, and grant funding was also received received for the COVID-19 pandemic community relief and recovery.
4	Grants - capital	Variance predominately relates to the timing of grant funding for Mildura South Regional Sporting Precinct which wasn't confirmed at the time of budget completion, with the balance outstanding to be received in 2020/21.
5	Contributions - non monetary	These are due to works completed in lieu of cash contribution for infrastructure, predominantly residential subdivisions. These assets are recognised in to Council's asset register when they are considered 'handed over' to Council, and are considered to be under the control of Council. Items of this nature are traditionally hard to predict.
6	Net gain/(or loss) on disposal of property, infrastructure, plant and equipment	Council is required to recognise a disposal of assets when those assets are sold, renewed or replaced, or become decommissioned. Items of this nature are traditionally hard to predict.

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**Note 1 Performance against budget (cont'd)**

**(i) Explanation of material variations**

Variance		
Ref	Item	Explanation
7	Other income	Additional expenditure has been incurred on programs and activities to aid the community due to the COVID-19 pandemic. Many of these are reimbursed through Government funding. Whilst this has caused an increase in income it has also had a corresponding increase in Council expenditure.
8	Asset recognition	Assets recognised due to increasing accuracy of our asset management database.
9	Depreciation	More accurate costing from a review of unit rates and data cleansing of our asset data base.
10	Amortisation - right of use assets	Application of new accounting standards AASB 16 Leases beginning 1 July 2019, no budget established in prior year.
11	Finance costs - leases	Application of new accounting standards AASB 16 Leases beginning 1 July 2019, no budget established in prior year.

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

1.2 Capital works	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance %	Ref
<b>Property</b>					
Land	-	1,023	1,023	100	1
<b>Total land</b>	<b>-</b>	<b>1,023</b>	<b>1,023</b>	<b>100</b>	
Buildings	17,607	11,202	(6,405)	(36)	2
<b>Total buildings</b>	<b>17,607</b>	<b>11,202</b>	<b>(6,405)</b>	<b>(36)</b>	
<b>Total property</b>	<b>17,607</b>	<b>12,225</b>	<b>(5,382)</b>	<b>(31)</b>	
<b>Plant and equipment</b>					
Computers and telecommunications	947	251	(696)	(73)	3
Fixtures, fittings and furniture	30	28	(2)	(7)	
Library books and artworks	345	288	(57)	(17)	
Plant, machinery and equipment	2,710	4,036	1,326	49	4
<b>Total plant and equipment</b>	<b>4,032</b>	<b>4,603</b>	<b>571</b>	<b>14</b>	
<b>Infrastructure</b>					
Roads	10,717	10,229	(488)	(5)	
Bridges	166	-	(166)	(100)	
Footpaths and cycle ways	831	599	(232)	(28)	5
Drainage	2,646	2,576	(70)	(3)	
Recreational, leisure and community facilities	2,959	1,621	(1,338)	(45)	6
Waste management	1,480	219	(1,261)	(85)	7
Parks, open space and streetscapes	2,476	1,219	(1,257)	(51)	8
Kerb and channel	178	69	(109)	(61)	
Off street car parks	858	1,055	197	23	
Other infrastructure	114	-	(114)	(100)	
<b>Total infrastructure</b>	<b>22,425</b>	<b>17,587</b>	<b>(4,838)</b>	<b>(22)</b>	
<b>Intangible</b>					
Software	-	1	1	100	
<b>Total intangible</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>100</b>	
<b>Total capital works expenditure</b>	<b>44,064</b>	<b>34,416</b>	<b>(9,648)</b>	<b>(22)</b>	
<b>Represented by:</b>					
New asset expenditure	21,069	13,137	(7,932)	(38)	
Asset renewal expenditure	14,972	14,059	(913)	(6)	
Asset expansion expenditure	2,599	3,034	435	17	
Asset upgrade expenditure	5,424	4,185	(1,239)	(23)	
Intangible asset	-	1	1	100	
<b>Total capital works expenditure</b>	<b>44,064</b>	<b>34,416</b>	<b>(9,648)</b>	<b>(22)</b>	

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**Performance against budget (cont'd)**

**(i) Explanation of material variations**

Variance Ref	Item	Explanation
1	Land	Council has a strategic land purchase reserve which is used to acquire land for future drainage purposes.
2	Buildings	Variance predominately relates to the timing of expenditure for Mildura South Regional Sporting Precinct which wasn't confirmed at the time of budget completion, which is timed with the receipt of capital grant funding.
3	Computers and telecommunications	The upgrade of Councils audio visual communication and telecom communications has been delayed due to impacts of COVID-19.
4	Plant, machinery and equipment	Carried forward capital works from 2019 budget year resulted in additional expenditure occurring this financial year.
5	Footpaths and cycle ways	Removal of paver and replacing with pebble-crete in the central business district (CBD) was delayed due to finalising of the design. The annual footpath program was delayed due to COVID-19.
6	Recreational, leisure and community facilities	The contract for Mildura South Regional Sporting Precinct has been transferred the Buildings budget which has created a variance in this budget area.
7	Waste management	The supply of organic mobile green garbage bins was delayed, with roll out starting in July 2020. The remaining expenditure will occur in the 2021 financial year.

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**Performance against budget (cont'd)**

**(i) Explanation of material variations**

8	Parks, open space and streetscapes	<p>The upgrade to Deakin Avenue median strip was delayed due to design scope changes, to ensure the heritage aspects are preserved for multiple sections. The project will now go to tender in September 2020.</p> <p>Nowingi Place upgrade has been delayed, the work panel was approved in June 2020 with works commencing in 2021 financial year.</p> <p>Renewal of river bank erosion at Mildura boat ramp and mouth of Mildura Marina was delayed due to the approval from Cultural Heritage Management Plan. This project is now under tender evaluation.</p>
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## Notes to the Financial Report For the Year Ended 30 June 2020

### Note 2 Analysis of Council

#### 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

##### Community

The Community Department is comprised of three branches; Community Futures, Leisure and Cultural Services and Community Care Services. The Community Futures branch includes teams from Community Development, Strategic Planning, Environmental Sustainability, Arts and Culture Development and Community Futures Projects units. The Leisure and Cultural Services branch is made up of Youth Services, Events and Projects, Recreation Development and Library Services units. The Community Care Services branch encompasses Disability, Early Years and Community Health units. The Community Department also includes Primary Care Partnership and Grants.

##### Financial Management

Financial Management encompasses functions of Council services such as rates, depreciation, investment income, borrowing costs, and developer contributions. It also includes business units that are non core Council activities such as Mildura Cemetery, Northern Mallee Community Partnership, Mildura Airport, and Mildura Regional Development.

##### Corporate

The Corporate Department is comprised of four areas; Organisational Development, Corporate Administration, Information Systems and Financial Services. The Organisational Development branch includes teams from Human Resources, Corporate Planning and Reporting, Business Improvements, Occupational Health and Safety, Employee Relations and Payroll Service units. Corporate Administration encompasses Customer Relations, Governance and Risk, Revenue and Property Services units. The Information Systems branch is made up of teams from the Systems and Information Management Units. The Financial Services branch includes Financial Accounting, Asset Accounting, Procurement and Fleet units. The Corporate Department also auspices Greater Sunraysia Pest Free Area.

##### Development

The Development Department is comprised of four branches; Asset Services, Development Services, Parks and Waste and Works and Engineering Services. The Asset Services branch includes teams from the Strategic Asset Systems, Asset Services Management and Facility Services. The Development Services branch includes teams from the Statutory Planning, Building Services, Development Services, Environmental Health and Civic Compliance units. The Parks and Waste branch encompasses teams from Parks, Gardens and Waste Management units. The Works and Engineering Services branch includes Engineering, Works and Infrastructure, Road Maintenance Inspection and Reporting, Concrete Drainage, Road Maintenance and Bitumen Services teams.

##### Executive

The Executive Department comprises the Chief Executive Officer and Government. Government is activities relating to Councillors and the Chief Executive Officer is for the Council CEO.



**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**Note 2 Analysis of Council (cont'd)**

**(a) Summary of revenues, expenses, assets and capital expenses by program**

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>					
Community	11,126	(23,976)	(12,850)	6,224	232,947
Financial management	99,751	(22,375)	77,376	24,911	217,391
Corporate	4,266	(15,815)	(11,549)	2,617	153,656
Development	6,438	(40,283)	(33,845)	452	391,383
Executive	-	(1,008)	(1,008)	-	9,794
	<b>121,581</b>	<b>(103,457)</b>	<b>18,124</b>	<b>34,204</b>	<b>1,005,171</b>

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>					
Community	11,496	(24,167)	(12,671)	6,161	220,060
Financial management	103,205	(28,546)	74,659	25,470	259,934
Corporate	2,183	(14,722)	(12,539)	1,018	134,055
Development	7,034	(37,856)	(30,822)	181	344,709
Executive	5	(945)	(940)	-	8,605
	<b>123,923</b>	<b>(106,236)</b>	<b>17,687</b>	<b>32,830</b>	<b>967,363</b>

## Notes to the Financial Report For the Year Ended 30 June 2020

### Note 2 Analysis of Council (cont'd)

#### 2.2 COVID-19 impact on 2019-20 operations of Council

The Coronavirus (COVID-19), was declared a world-wide pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had an impact on the Australian and local economy.

As at the date of preparation of these financial statements the impact of the Coronavirus (COVID-19) pandemic is ongoing and the situation is rapidly changing, developing. The speed and recovery of economic activity is largely dependent on measures imposed by the Australian Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

COVID-19, as well as measures including government directives to slow the spread of the virus in Australia, have impacted Council operations in the following areas:

- The Visitor Information Centre, libraries, arts centre, community services centres, swimming pools and Council customer services buildings were all closed. These closures resulted in a redeployment of Council staff from closed facilities to other Council roles. User fees and charges such as parking infringements and associated fines have also reduced due to stay at home measures. Closure of some of Council's facilities and reduction in user fees and charge, has resulted in a decrease in Council's user fee revenue and also decreased associated expenses.
- Council has waived commercial rent agreements, caravan park, sporting and social club leases for the last quarter of the year. This resulted in decrease in rent revenue and also associated maintenance and outgoing expenses.
- Council's rate revenue has been impacted by deferrals and interest free periods provided to some rate payers who have lodged hardship claims.
- Some capital works projects and budgeted capital expenditure have been delayed into 2020/21.
- COVID-19 has also impacted Council owned subsidiaries including Mildura Airport Pty Ltd and Mildura Regional Development. The restrictions on travel have impacted on Airport operations with significant loss of revenue. Council will provide ongoing financial support for Mildura Airport.

The above impacts on the financial statements for the year ended 30 June 2020, have led to a reduction in income and expenditure in some areas, however overall there has not been a significant impact to Council's 30 June 2020 financial statements.

Given the dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic on the preparation of these financial statements, changes to the estimates and judgements that have been applied in the measurement of assets and liabilities may arise in the future. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

Consolidated		Council	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

**Note 3 Funding for the delivery of our services**

**3.1 Rates and charges**

Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV is the value of the land and all its improvements.

The valuation base used to calculate general rates for (2019/20 is \$9.718 million)

General rates	39,161	34,769	39,161	34,769
Municipal charge	-	2,806	-	2,806
Waste management charge	9,765	9,401	9,765	9,401
Cultural/recreational land	17	17	17	17
Mildura City Heart special rate	599	588	599	588
Business differential rate	13,586	12,243	13,734	12,385
Farming differential rate	9,138	10,158	9,138	10,158
Payment in lieu of rates	166	95	166	95
<b>Total rates and charges</b>	<b>72,432</b>	<b>70,077</b>	<b>72,580</b>	<b>70,219</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation will be first applied in the rating year commencing 1 July 2019.

Annual rates and charges are recognised as revenues when Council issues annual rates notices.

Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

**3.2 Statutory fees and fines**

Infringements and costs	584	777	584	777
Land information certificates	51	55	51	55
Permits	428	372	428	372
Other statutory fees and fines	238	178	238	178
Valuations database	244	239	244	239
Statutory planning fees	658	777	658	777
<b>Total statutory fees and fines</b>	<b>2,203</b>	<b>2,398</b>	<b>2,203</b>	<b>2,398</b>

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

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>3.3 User fees</b>				
Aged and health services	891	941	891	941
Child care/children's programs	336	370	336	370
Waste management services	1,692	1,447	1,692	1,447
Other fees and charges	351	439	351	439
Rent/lease fees	909	1,099	573	733
Animal control and local laws	529	536	529	536
Environmental health services	265	252	265	252
Airport fees and charges	4,286	5,735	-	-
Contract works	468	926	468	926
Entrance charges	432	563	432	563
Commission/agency fees	175	185	175	185
<b>Total user fees</b>	<b>10,334</b>	<b>12,493</b>	<b>5,712</b>	<b>6,392</b>

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

**3.4 Funding from other levels of government**

Grants were received in respect of the following:

**Summary of grants**

Commonwealth funded grants	25,509	21,086	25,509	21,086
State funded grants	8,695	11,744	8,695	11,744
<b>Total grants received</b>	<b>34,204</b>	<b>32,830</b>	<b>34,204</b>	<b>32,830</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>3.4 Funding from other levels of government (cont'd)</b>				
<b>(a) Operating grants</b>				
<b><i>Recurrent - Commonwealth government</i></b>				
Primary care partnership	155	-	155	-
Early years	180	204	180	204
Aged and disability services	2,105	2,143	2,105	2,143
Financial assistance grants - general purpose	11,687	11,361	11,687	11,361
Financial assistance grants - local roads	4,292	4,212	4,292	4,212
<b><i>Recurrent - State government</i></b>				
Primary care partnerships	354	404	354	404
Aged and disability services	501	735	501	735
Libraries	401	372	401	372
Community health	1,072	883	1,072	883
Early years	243	280	243	280
Youth services	311	293	311	293
Environmental health	34	35	34	35
Social development and projects	75	149	75	149
Local laws	173	-	173	-
Arts and culture	190	190	190	190
Works and infrastructure services	122	129	122	129
<b>Total recurrent operating grants</b>	<b>21,895</b>	<b>21,390</b>	<b>21,895</b>	<b>21,390</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>3.4 Funding from other levels of government (cont'd)</b>				
<b><i>Non-recurrent - Commonwealth government</i></b>				
Airport operations	-	999	-	999
Primary care partnership	-	10	-	10
Asset management	67	-	67	-
Natural disaster - drought	1,000	-	1,000	-
Social development and projects	-	1	-	1
<b><i>Non-recurrent - State government</i></b>				
Youth services	-	2	-	2
Primary care partnership	12	10	12	10
Community development	163	1,041	163	1,041
Social development and projects	580	422	580	422
Environmental sustainability	160	205	160	205
Strategic planning	-	30	-	30
Governance and risk	120	120	120	120
Aged and disability services	67	3	67	3
Early years	108	51	108	51
Asset management	50	16	50	16
Economic development and tourism	9	77	9	77
Natural disaster	-	564	-	564
Libraries	2	-	2	-
Community health	-	24	-	24
Sunraysia Pest Free	774	-	774	-
Critical community services - COVID-19 response	53	-	53	-
Rates farm subsidy	670	-	670	-
Parks and waste services	1	-	1	-
Planning and development	5	-	5	-
Arts and culture	80	-	80	-
<b>Total non-recurrent operating grants</b>	<b>3,921</b>	<b>3,575</b>	<b>3,921</b>	<b>3,575</b>
<b>Total operating grants</b>	<b>25,816</b>	<b>24,965</b>	<b>25,816</b>	<b>24,965</b>
<b>(b) Capital grants</b>				
<b><i>Recurrent - Commonwealth government</i></b>				
Roads to recovery	4,057	1,921	4,057	1,921
<b>Total recurrent capital grants</b>	<b>4,057</b>	<b>1,921</b>	<b>4,057</b>	<b>1,921</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>3.4 Funding from other levels of government (cont'd)</b>				
<b><i>Non-recurrent - Commonwealth government</i></b>				
Recreation and sport	551	235	551	235
Plant, machinery and equipment	15	-	15	-
Roads	900	-	900	-
Drainage	500	-	500	-
<b><i>Non-recurrent - State government</i></b>				
Arts and culture	-	200	-	200
Natural disaster	-	626	-	626
Libraries	11	30	11	30
Recreation and sport	750	2,637	750	2,637
Buildings	215	-	215	-
Drainage	9	-	9	-
Waste management	190	-	190	-
Parks open space and streetscapes	23	-	23	-
Early years	-	45	-	45
Roads	1,167	2,171	1,167	2,171
<b>Total non-recurrent capital grants</b>	<b>4,331</b>	<b>5,944</b>	<b>4,331</b>	<b>5,944</b>
<b>Total capital grants</b>	<b>8,388</b>	<b>7,865</b>	<b>8,388</b>	<b>7,865</b>
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>				
<b><i>Operating</i></b>				
Balance at start of year	1,696	3,570	1,696	3,570
Received during the financial year and remained unspent at balance date	330	1,065	330	1,065
Received in prior years and spent during the financial year	(1,385)	(2,939)	(1,385)	(2,939)
<b>Balance at year end</b>	<b>641</b>	<b>1,696</b>	<b>641</b>	<b>1,696</b>
<b><i>Capital</i></b>				
Balance at start of year	3,379	-	3,379	-
Received during the financial year and remained unspent at balance date	3,137	3,379	3,137	3,379
Received in prior years and spent during the financial year	(3,379)	-	(3,379)	-
<b>Balance at year end</b>	<b>3,137</b>	<b>3,379</b>	<b>3,137</b>	<b>3,379</b>
<b>Total</b>	<b>3,778</b>	<b>5,075</b>	<b>3,778</b>	<b>5,075</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

Consolidated		Council	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

**3.4 Funding from other levels of government (cont'd)**

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

**3.5 Contributions**

Other contributions	693	650	593	468
Capital contributions	212	185	212	185
Developer contributions	507	1,084	507	1,084
<b>Total monetary contributions</b>	<b>1,412</b>	<b>1,919</b>	<b>1,312</b>	<b>1,737</b>
Non-monetary contributions	924	2,853	924	2,853
<b>Total contributions</b>	<b>2,336</b>	<b>4,772</b>	<b>2,236</b>	<b>4,590</b>

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

Roads	-	1,131	-	1,131
Kerb and channel	-	210	-	210
Footpaths and cycle ways	-	210	-	210
Drainage	824	1,122	824	1,122
Parks open space and streetscapes	100	180	100	180
<b>Total non-monetary contributions</b>	<b>924</b>	<b>2,853</b>	<b>924</b>	<b>2,853</b>

Monetary and non-monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

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

Proceeds of sale	517	454	508	454
Written down value of assets disposed	(3,882)	(1,847)	(3,702)	(1,847)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(3,365)</b>	<b>(1,393)</b>	<b>(3,194)</b>	<b>(1,393)</b>

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



**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>3.7 Other income</b>				
Interest	1,367	1,581	1,389	1,681
Interest on rates	366	350	366	350
Sales	886	1,257	301	425
Other income	118	114	7	10
Child care reimbursement	1,506	1,557	1,506	1,557
Fuel tax rebate	234	208	234	208
WorkCover costs reimbursements	425	396	425	396
Legal costs recouped	43	121	43	121
Airport reimbursement	-	-	16	8
Cemetery reimbursement	373	682	373	682
Utilities reimbursement	4	57	4	57
Youth case management reimbursement	538	507	538	507
Insurance reimbursement	64	33	64	118
Other costs reimbursed	1,463	1,118	1,550	1,118
<b>Total other income</b>	<b>7,387</b>	<b>7,981</b>	<b>6,816</b>	<b>7,238</b>

Interest is recognised as it is earned.

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

**3.8 Asset recognition**

During the previous year Council undertook an extensive survey of its roads and outdoor infrastructure networks. In doing so, it identified assets which had not previously been recorded in its assets registers.

Asset recognition	1,024	1,649	1,024	1,649
<b>Total asset recognition</b>	<b>1,024</b>	<b>1,649</b>	<b>1,024</b>	<b>1,649</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

Consolidated		Council	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

**Note 4 The cost of delivering services**

**4.1. (a) Employee costs**

Wages and salaries	46,550	45,385	43,352	42,200
Payroll tax	1	18	3	12
Superannuation	4,233	4,011	4,029	3,793
Fringe benefits tax	205	208	205	208
<b>Total employee costs</b>	<b>50,989</b>	<b>49,622</b>	<b>47,589</b>	<b>46,213</b>

**(b) Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

Employer contributions to Local Authorities  
Superannuation Fund (Vision Super)

	285	303	285	303
<b>Total defined benefit fund contributions</b>	<b>285</b>	<b>303</b>	<b>285</b>	<b>303</b>

**Accumulation funds**

Employer contributions to Local Authorities  
Superannuation Fund (Vision Super)

	1,954	1,942	1,954	1,942
Employer contributions - other funds	1,625	1,453	1,625	1,453
<b>Total accumulation funds contributions</b>	<b>3,579</b>	<b>3,395</b>	<b>3,579</b>	<b>3,395</b>
Employer contributions payable at reporting date.	167	99	167	99

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

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>4.2 Materials and services</b>				
Contracts other	6,008	6,004	5,787	5,751
Waste management contracts	3,049	2,910	3,049	2,910
Swimming pools	1,359	1,425	1,359	1,425
Building maintenance	1,799	2,289	1,799	2,289
General maintenance	405	444	405	444
Environmental protection waste levy	1,937	1,322	1,937	1,322
Grants, contributions and donations	1,683	2,194	2,918	3,475
Utilities	3,078	3,357	3,173	3,135
Office administration	1,216	1,154	853	810
Materials purchased *	7,036	3,590	6,766	3,267
Plant and vehicle costs	3,010	2,771	2,662	2,414
Information technology	1,416	1,271	1,320	1,194
Insurance	1,176	979	1,185	986
Consultants	1,780	1,833	1,780	1,833
Training	995	1,100	902	1,027
Other materials and contractors	1,109	844	548	380
<b>Total materials and services</b>	<b>37,056</b>	<b>33,487</b>	<b>36,443</b>	<b>32,662</b>
<b>4.3 Depreciation</b>				
Buildings	2,723	2,657	2,503	2,439
Plant and equipment	3,070	3,312	2,821	3,054
Infrastructure	12,460	13,347	11,503	12,398
<b>Total depreciation</b>	<b>18,253</b>	<b>19,316</b>	<b>16,827</b>	<b>17,891</b>
<b>4.4 Amortisation - intangible assets</b>				
Intangible assets	157	136	157	136
<b>Total amortisation - intangible assets</b>	<b>157</b>	<b>136</b>	<b>157</b>	<b>136</b>

\* Materials purchased includes asset write-offs of \$1.7 million. Refer to note 6.2 for more information.

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>4.5 Amortisation - right of use assets</b>				
Property	85	-	76	-
<b>Total amortisation - right of use assets</b>	<b>85</b>	<b>-</b>	<b>76</b>	<b>-</b>
<b>4.6 Bad and doubtful debts</b>				
Infringement debtors	69	330	69	330
Other debtors	125	(21)	11	(21)
<b>Total bad and doubtful debts</b>	<b>194</b>	<b>309</b>	<b>80</b>	<b>309</b>
<b>Movement in provisions for doubtful debts</b>				
Balance at the beginning of the year	613	325	613	325
New provisions recognised during the year	185	310	71	310
Amounts already provided for and written off as uncollectible	(5)	(22)	(5)	(22)
<b>Balance at end of year</b>	<b>793</b>	<b>613</b>	<b>679</b>	<b>613</b>
Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.				
<b>4.7 Borrowing costs</b>				
Interest - borrowings	1,082	1,092	1,031	1,088
<b>Total borrowing costs</b>	<b>1,082</b>	<b>1,092</b>	<b>1,031</b>	<b>1,088</b>

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

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>4.8 Finance costs - leases</b>				
Interest - lease liabilities	56	-	53	-
<b>Total finance costs</b>	<b>56</b>	<b>-</b>	<b>53</b>	<b>-</b>
<b>4.9 Other expenses</b>				
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	91	82	69	69
Auditors' remuneration - internal	59	112	59	112
Councillors' allowances	333	319	333	319
Directors' fees	83	94	-	-
Refunds	67	65	67	65
Operating lease rentals	275	456	231	410
Increase in landfill provision discounted amount	-	6,611	-	6,611
Others	442	351	442	351
<b>Total other expenses</b>	<b>1,350</b>	<b>8,090</b>	<b>1,201</b>	<b>7,937</b>

**Note 5 Our financial position**

**5.1 Financial assets**

**(a) Cash and cash equivalents**

Cash on hand	27	49	11	11
Cash at bank	9,424	14,572	7,317	12,382
Term deposits	72,372	62,742	69,000	60,000
<b>Total cash and cash equivalents</b>	<b>81,823</b>	<b>77,363</b>	<b>76,328</b>	<b>72,393</b>

**(b) Other financial assets**

Term deposits - current	2,850	2,850	2,850	2,850
Floating notes - non-current	1,750	1,750	1,750	1,750
<b>Total other financial assets</b>	<b>4,600</b>	<b>4,600</b>	<b>4,600</b>	<b>4,600</b>
<b>Total financial assets</b>	<b>86,423</b>	<b>81,963</b>	<b>80,928</b>	<b>76,993</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

Consolidated		Council	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

**Note 5 Our financial position (cont'd)**

**5.1 Financial assets**

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

- Trust funds and deposits (note 5.3(b))	1,511	2,231	1,511	2,231
- Statutory reserve funds (note 9.1(b))	2,666	2,770	2,666	2,770
Total restricted funds	<u>4,177</u>	<u>5,001</u>	<u>4,177</u>	<u>5,001</u>
<b>Total unrestricted cash and cash equivalents</b>	<b><u>77,646</u></b>	<b><u>72,362</u></b>	<b><u>72,151</u></b>	<b><u>67,392</u></b>

**Intended allocations**

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward capital works	9,648	6,282	9,648	6,282
- Unexpended grants (note 3.4)	3,778	5,075	3,778	5,075
- Discretionary reserves (note 9.1(b))	40,611	35,882	40,611	35,882
- Long service leave 25% (note 5.5)	2,085	1,737	2,085	1,737
<b>Total funds subject to intended allocations</b>	<b><u>56,122</u></b>	<b><u>48,976</u></b>	<b><u>56,122</u></b>	<b><u>48,976</u></b>

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

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

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>5.1 Financial assets (cont'd)</b>				
<b>(c) Trade and other receivables</b>				
<b>Current</b>				
<i>Statutory receivables</i>				
Rates debtors	4,273	3,202	4,273	3,202
Infringement debtors	821	786	821	786
Provision for doubtful debts - infringements	(673)	(604)	(673)	(604)
<i>Non statutory receivables</i>				
General debtors	1,016	3,114	820	2,091
Accrued income	491	540	491	540
GST receivable	1,124	518	1,124	518
Loan to Mildura Airport Pty Ltd	-	-	328	321
Provision for doubtful debts - other debtors	(120)	(9)	(6)	(9)
<b>Total current trade and other receivables</b>	<b>6,932</b>	<b>7,547</b>	<b>7,178</b>	<b>6,845</b>
<b>Non-current</b>				
<i>Non statutory receivables</i>				
Loan to Mildura Airport Pty Ltd	-	-	4,476	4,808
<b>Total non-current trade and other receivables</b>	<b>-</b>	<b>-</b>	<b>4,476</b>	<b>4,808</b>
<b>Total trade and other receivables</b>	<b>6,932</b>	<b>7,547</b>	<b>11,654</b>	<b>11,653</b>

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

**(a) Ageing of receivables**

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

Current (not yet due)	724	2,618	541	1,936
Past due by up to 60 days	210	87	212	78
Past due between 61 and 180 days	30	356	15	24
Past due between 181 and 365 days	52	53	52	53
<b>Total trade and other receivables</b>	<b>1,016</b>	<b>3,114</b>	<b>820</b>	<b>2,091</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
5.1 Financial assets (cont'd)				

**(b) Ageing of individually impaired receivables**

At balance date, other debtors representing financial assets with a nominal value of \$4,743 (2019: \$21,739) were impaired. The amount of the provision raised against these debtors was \$4,743 (2019: \$21,739). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current up to 90 days	-	35	-	35
Past due between 91 and 180 days	8	20	8	20
Past due between 181 and 365 days	3	72	3	72
Past due by more than 1 year	69	182	69	182
<b>Total trade and other receivables</b>	<b>80</b>	<b>309</b>	<b>80</b>	<b>309</b>



**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>5.2 Non-financial assets</b>				
<b>(a) Inventories</b>				
Inventories held for distribution	501	479	501	479
Inventories held for sale	68	103	62	95
<b>Total inventories</b>	<b>569</b>	<b>582</b>	<b>563</b>	<b>574</b>
Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.				
<b>(b) Other assets</b>				
<b>Current</b>				
Prepayments	1,378	1,597	1,340	1,554
<b>Total</b>	<b>1,378</b>	<b>1,597</b>	<b>1,340</b>	<b>1,554</b>
<b>Non-current</b>				
Interest in Mildura Airport Pty Ltd	-	-	50,877	51,672
Interest in Mildura Regional Development	-	-	764	751
<b>Total</b>	<b>-</b>	<b>-</b>	<b>51,641</b>	<b>52,423</b>
<b>Total other assets</b>	<b>1,378</b>	<b>1,597</b>	<b>52,981</b>	<b>53,977</b>
<b>(c) Intangible assets</b>				
Software	852	1,010	852	1,010
Water rights at valuation 30 June 2019	-	9,860	-	9,751
Water rights at valuation 30 June 2020	10,569	-	10,448	-
<b>Total intangible assets</b>	<b>11,421</b>	<b>10,870</b>	<b>11,300</b>	<b>10,761</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**5.2 Non-financial assets (cont'd)**

**(c) Intangible assets**

**Consolidated**

**Gross carrying amount**

	Software \$'000	Water right \$'000	Total \$'000
Balance at 1 July 2019	3,080	9,860	12,940
Other additions	-	-	-
Transfer	(1)	-	(1)
Revaluation increment/(decrement) (note 9.1(a) & 4.4)	-	709	709
Balance at 30 June 2020	<b>3,079</b>	<b>10,569</b>	<b>13,648</b>

**Accumulated amortisation and impairment**

Balance at 1 July 2019	2,070	-	2,070
Amortisation expense	157	-	157
Balance at 30 June 2020	<b>2,227</b>	<b>-</b>	<b>2,227</b>
Net book value at 30 June 2019	1,010	9,860	10,870
Net book value at 30 June 2020	<b>852</b>	<b>10,569</b>	<b>11,421</b>

**Council**

**Gross carrying amount**

	Software \$'000	Water right \$'000	Total \$'000
Balance at 1 July 2019	3,080	9,751	12,831
Other additions	-	-	-
Transfer	(1)	-	(1)
Revaluation increment/(decrement) (note 9.1(a) & 4.4)	-	697	697
Balance at 30 June 2020	<b>3,079</b>	<b>10,448</b>	<b>13,527</b>

**Accumulated amortisation and impairment**

Balance at 1 July 2019	2,070	-	2,070
Amortisation expense	157	-	157
Balance at 30 June 2020	<b>2,227</b>	<b>-</b>	<b>2,227</b>
Net book value at 30 June 2019	1,010	9,751	10,761
Net book value at 30 June 2020	<b>852</b>	<b>10,448</b>	<b>11,300</b>

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

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**5.2 Non-financial assets (cont'd)**

**(c) Intangible assets**

Details of the Mildura Rural City Council's water rights; and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Water rights	-	10,448	-
<b>Total</b>	<b>-</b>	<b>10,448</b>	<b>-</b>

Water rights are valued at current market values. The valuation is based on market transactions being the trading of water shares. The valuations were completed by Mr Con Demis AAPI, Certified Practising Valuer, recognised valuer, (Council Officer), as at 30 June 2020.

**5.3 Payables**

**(a) Trade and other payables**

	Consolidated		Council	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables	138	185	2	1
Accrued expenses	2,907	2,198	2,702	1,982
<b>Total trade and other payables</b>	<b>3,045</b>	<b>2,383</b>	<b>2,704</b>	<b>1,983</b>

**(b) Trust funds and deposits**

Refundable contract deposits	110	172	110	172
Fire services levy	32	353	32	353
Refundable civic facilities deposits	5	5	5	5
Retention amounts	363	485	363	485
Income received in advance	7	6	-	-
Other refundable deposits	1,001	1,216	1,001	1,216
<b>Total trust funds and deposits</b>	<b>1,518</b>	<b>2,237</b>	<b>1,511</b>	<b>2,231</b>

**(c) Unearned income**

Grants received in advance - operating	660	-	641	-
Grants received in advance - capital	3,137	-	3,137	-
<b>Total unearned income</b>	<b>3,797</b>	<b>-</b>	<b>3,778</b>	<b>-</b>

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

## Notes to the Financial Report For the Year Ended 30 June 2020

### 5.3 Payables (cont'd)

*Purpose and nature of items:*

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

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

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

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>5.4 Interest-bearing liabilities</b>				
<b>Current</b>				
Borrowings - secured	1,106	1,121	1,154	1,100
<b>Total current interest-bearing liabilities</b>	<b>1,106</b>	<b>1,121</b>	<b>1,154</b>	<b>1,100</b>
<b>Non-current</b>				
Borrowings - secured	17,528	18,635	17,478	18,635
Finance leases	116	47	-	-
<b>Total non-current interest-bearing liabilities</b>	<b>17,644</b>	<b>18,682</b>	<b>17,478</b>	<b>18,635</b>
<b>Total interest-bearing liabilities</b>	<b>18,750</b>	<b>19,803</b>	<b>18,632</b>	<b>19,735</b>

Borrowings are secured by borrowings security is over the general rates of the municipal enterprise as per s148 *Local Government Act 1989 (VIC)*.

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>5.4 Interest-bearing liabilities (cont'd)</b>				

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

Not later than one year	1,106	1,121	1,154	1,100
Later than one year and not later than five years	5,484	5,633	5,318	5,586
Later than five years	12,160	13,049	12,160	13,049
	<b>18,750</b>	<b>19,803</b>	<b>18,632</b>	<b>19,735</b>

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

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

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**5.5 Provisions**

		Landfill	
	Employee	restoration	Total
<b>Consolidated</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
<b>2020</b>			
Balance at beginning of the financial year	12,724	25,852	38,576
Prior year adjustment	-	(3,761)	(3,761)
Additional provisions	7,068	4,490	11,558
Amounts used	(5,801)	-	(5,801)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(644)	-	(644)
Balance at the end of the financial year	13,347	26,581	39,928
<b>2019</b>			
Balance at beginning of the financial year	11,983	19,242	31,225
Additional provisions	7,582	6,610	14,192
Amounts used	(6,118)	-	(6,118)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(723)	-	(723)
Balance at the end of the financial year	12,724	25,852	38,576
<b>Council</b>	<b>Employee</b>	<b>Landfill</b>	<b>Total</b>
<b>2020</b>	<b>\$ '000</b>	<b>restoration</b>	<b>\$ '000</b>
		<b>\$ '000</b>	<b>\$ '000</b>
Balance at beginning of the financial year	12,466	25,852	38,318
Prior year adjustment	-	(3,761)	(3,761)
Additional provisions	6,883	4,490	11,373
Amounts used	(5,558)	-	(5,558)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(661)	-	(661)
Balance at the end of the financial year	13,130	26,581	39,711
<b>2019</b>			
Balance at beginning of the financial year	11,767	19,242	31,009
Additional provisions	7,407	6,610	14,017
Amounts used	(5,984)	-	(5,984)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(724)	-	(724)
Balance at the end of the financial year	12,466	25,852	38,318

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>5.5 Provisions (cont'd)</b>				
<b>(a) Employee provisions</b>				
<b>Current provisions expected to be wholly settled within 12 months</b>				
Annual leave	3,139	2,525	2,985	2,374
Long service leave	627	5,749	627	5,749
Redundancy	128	-	128	-
Rostered day off and time off in lieu	883	724	883	724
<b>Total</b>	<b>4,777</b>	<b>8,998</b>	<b>4,623</b>	<b>8,847</b>
<b>Current provisions expected to be wholly settled after 12 months</b>				
Annual leave	793	1,689	793	1,689
Long service leave	6,453	804	6,453	733
<b>Total</b>	<b>7,246</b>	<b>2,493</b>	<b>7,246</b>	<b>2,422</b>
<b>Total current employee provisions</b>	<b>12,023</b>	<b>11,491</b>	<b>11,869</b>	<b>11,269</b>
<b>Non-current</b>				
Long service leave	1,324	1,233	1,261	1,197
<b>Total non-current employee provisions</b>	<b>1,324</b>	<b>1,233</b>	<b>1,261</b>	<b>1,197</b>
<b>Aggregate carrying amount of employee provisions:</b>				
Current	12,023	11,491	11,869	11,269
Non-current	1,324	1,233	1,261	1,197
<b>Total aggregate carrying amount of employee provisions</b>	<b>13,347</b>	<b>12,724</b>	<b>13,130</b>	<b>12,466</b>

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

*Wages and salaries and annual leave*

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

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

## Notes to the Financial Report For the Year Ended 30 June 2020

### 5.5 Provisions (cont'd)

#### (a) Employee provisions

##### *Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

	Consolidated		Council	
	2020	2019	2020	2019
Key assumptions:				
- discount rate	0.87%	1.32%	0.87%	1.32%
- wage inflation rate	4.25%	4.31%	4.25%	4.31%
- settlement period	12	12	12	12
 (b) Landfill restoration	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Non-current	26,581	25,852	26,581	25,852
<b>Total landfill restoration</b>	<b>26,581</b>	<b>25,852</b>	<b>26,581</b>	<b>25,852</b>

Council is obligated to restore the Mildura, Ouyen, Murrayville and Koorlong sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Last year there was an error made in calculating the landfill provision required for the rehabilitation of the Ouyen landfill. A prior period adjustment of \$3.761 million has been made to recoup the expense that was shown in last years financial statements. Please see Statement of Equity for more details.

	Consolidated		Council	
	2020	2019	2020	2019
Key assumptions:				
- Weighted average capital cities CPI index	1.90%	1.60%	1.90%	1.60%
- wage inflation rate	4.25%	4.31%	4.25%	4.31%
- discount rate	0.87%	1.04%	0.87%	1.04%
 (c) Total provisions	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Current	12,023	11,491	11,869	11,269
Non-current	27,905	27,085	27,842	27,049
	<b>39,928</b>	<b>38,576</b>	<b>39,711</b>	<b>38,318</b>



**Notes to the Financial Report  
For the Year Ended 30 June 2020**

## 5.6 Financing arrangements

Consolidated		Council	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

The Council has the following funding arrangements in place as at 30 June 2020.

Credit card facilities	800	800	800	800
Total facilities	<u>800</u>	<u>800</u>	<u>800</u>	<u>800</u>

## 5.7 Commitments

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

	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
Consolidated 2020	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Swimming pool management	217	18	-	-	235
Waste management	2,717	1,392	311	-	4,420
Cleaning services	423	-	-	-	423
Security services	444	-	-	-	444
Temporary labour hire	2,188	381	-	-	2,569
Electricity	2,740	-	-	-	2,740
Project Design	104	-	-	-	104
Corporate Expenditure	2,500	281	549	-	3,330
Building Services	1,773	145	-	-	1,918
Corporate Training	240	44	-	-	284
Drainage	3	1	-	-	4
Parks and Gardens	1,875	60	-	-	1,935
Plant	241	-	-	-	241
Works and Infrastructure	9,980	2,713	-	-	12,693
Other	21	-	-	-	21
<b>Total</b>	<b>25,466</b>	<b>5,035</b>	<b>860</b>	<b>-</b>	<b>31,361</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**5.7 Commitments (cont'd)**

	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
Consolidated 2020	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital</b>					
Fixtures, fittings and furniture	30	-	-	-	30
Buildings	11,352	-	-	-	11,352
Library books and artworks	272	-	-	-	272
Waste management	371	-	-	-	371
Plant machinery and equipment	4,168	-	-	-	4,168
Roads	12,357	-	-	-	12,357
Drainage	2,275	-	-	-	2,275
Parks, open spaces and streetscapes	4,146	-	-	-	4,146
Land	1,336	-	-	-	1,336
<b>Total</b>	<b>36,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,307</b>
	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
Consolidated 2019	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Swimming pool management	1,074	1,092	2,290	-	4,456
Telecommunications	2,777	2,656	7,955	27	13,415
Waste management	185	85	-	-	270
Cleaning services	456	463	230	-	1,149
Security services	1,238	59	-	-	1,297
Corporate expenditure	2,748	1,797	-	-	4,545
Other	2,511	986	-	-	3,497
<b>Total</b>	<b>10,989</b>	<b>7,138</b>	<b>10,475</b>	<b>27</b>	<b>28,629</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**5.7 Commitments (cont'd)**

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>					
<b>2019</b>					
<b>Capital</b>					
Fixtures, fittings and furniture	95	-	-	-	95
Buildings	3,150	-	-	-	3,150
Library books and artworks	331	-	-	-	331
Waste management	36	-	-	-	36
Plant machinery and equipment	5,200	-	-	-	5,200
Roads	9,329	-	-	-	9,329
Drainage	214	-	-	-	214
Parks, open spaces and streetscapes	2,458	-	-	-	2,458
Land	121	-	-	-	121
<b>Total</b>	<b>20,934</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,934</b>
	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Council</b>					
<b>2020</b>					
<b>Operating</b>					
Swimming pool management	217	18	-	-	235
Waste management	2,717	1,392	311	-	4,420
Cleaning services	423	-	-	-	423
Security services	444	-	-	-	444
Temporary labour hire	2,188	381	-	-	2,569
Electricity	2,740	-	-	-	2,740
Project Design	104	-	-	-	104
Corporate Expenditure	2,500	281	549	-	3,330
Building Services	1,773	145	-	-	1,918
Corporate Training	240	44	-	-	284
Drainage	3	1	-	-	4
Parks and Gardens	1,875	60	-	-	1,935
Plant	241	-	-	-	241
Works and Infrastructure	9,980	2,713	-	-	12,693
Other	21	-	-	-	21
<b>Total</b>	<b>25,466</b>	<b>5,035</b>	<b>860</b>	<b>-</b>	<b>31,361</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**5.7 Commitments (cont'd)**

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
2020	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital</b>					
Fixtures, fittings and furniture	30	-	-	-	30
Buildings	11,352	-	-	-	11,352
Library books and artworks	272	-	-	-	272
Waste management	371	-	-	-	371
Plant machinery and equipment	4,168	-	-	-	4,168
Roads	12,357	-	-	-	12,357
Drainage	2,275	-	-	-	2,275
Parks, open spaces and streetscapes	4,146	-	-	-	4,146
Land	1,336	-	-	-	1,336
<b>Total</b>	<b>36,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,307</b>

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
2019	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Swimming pool management	1,074	1,092	2,290	-	4,456
Waste management	2,777	2,656	7,955	27	13,415
Cleaning services	185	85	-	-	270
Security services	456	463	230	-	1,149
Temporary labour hire	1,238	59	-	-	1,297
Corporate expenditure	2,748	1,797	-	-	4,545
Other	2,511	986	-	-	3,497
<b>Total</b>	<b>10,989</b>	<b>7,138</b>	<b>10,475</b>	<b>27</b>	<b>28,629</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**5.7 Commitments (cont'd)**

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
2019	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital</b>					
Fixtures, fittings and furniture	95	-	-	-	95
Buildings	3,150	-	-	-	3,150
Library books and artworks	331	-	-	-	331
Waste management	36	-	-	-	36
Plant machinery and equipment	5,200	-	-	-	5,200
Roads	9,329	-	-	-	9,329
Drainage	214	-	-	-	214
Parks, open spaces and streetscapes	2,458	-	-	-	2,458
Land	121	-	-	-	121
<b>Total</b>	<b>20,934</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,934</b>

**5.8 Leases**

**Policy applicable before 1 July 2019**

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

## Notes to the Financial Report For the Year Ended 30 June 2020

### 5.8 Leases (cont'd)

#### Policy applicable after 1 July 2019

Council has applied AASB 16 Leases using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to AASB 16 Leases, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied AASB 16 Leases only to contracts that were previously identified as leases.

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

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

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

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

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

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

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

## Notes to the Financial Report For the Year Ended 30 June 2020

### 5.8 Leases (cont'd)

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

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

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

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>Right-of-Use Assets</b>				
Balance at 1 July 2019	1,188	-	1,188	-
Additions	300	-	-	-
Amortisation charge	(85)	-	(76)	-
Balance at 30 June 2020	<b>1,403</b>	<b>-</b>	<b>1,112</b>	<b>-</b>

#### Lease Liabilities

Maturity analysis - contractual undiscounted cash

Less than one year	140	318	136	318
One to five years	632	641	472	641
More than five years	1,757	1,823	1,604	1,823
Total undiscounted lease liabilities as at 30 June:	<b>2,529</b>	<b>2,782</b>	<b>2,212</b>	<b>2,782</b>

Lease liabilities included in the Balance Sheet at 30 June:

Current	351	-	86	-
Non-current	1,512	-	1,484	-
Total lease liabilities	<b>1,863</b>	<b>-</b>	<b>1,570</b>	<b>-</b>

## Notes to the Financial Report For the Year Ended 30 June 2020

### 5.8 Leases (cont'd)

#### Short-term and low value leases

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

<b>Expenses relating to:</b>	<b>\$'000</b>
Short-term leases	-
Leases of low value assets	207
<b>Total</b>	<b>207</b>

Variable lease payments (not included in measurement of lease liabilities)

#### Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:

Within one year	207
Later than one year but not later than five years	53
<b>Total lease commitments</b>	<b>260</b>

#### i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying AASB 16 Leases to leases previously classified as operating leases under AASB 117 Leases.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 Provisions, Contingent Liabilities and Contingent Assets onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.



## Notes to the Financial Report For the Year Ended 30 June 2020

### 5.8 Leases (cont'd)

- Council has conducted an assessment of leases and determined the value of peppercorn leases is nil.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under *AASB 117 Leases*, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under *AASB 117 Leases* immediately before that date.

Council is not required to make any adjustments on transition to *AASB 16 Leases* for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with *AASB 16 Leases* from the date of initial application.

#### Impact on financial statements

On transition to *AASB 16 Leases*, Council recognised an additional \$1,188 of right-of-use assets and \$1,654 of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 3.4%.

	2019 \$'000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	2,782
Discounted using the incremental borrowing rate at 1 July 2019	(1,128)
Lease liability recognised as at 1 July 2019	<u>1,654</u>

### Note 6 Assets we manage

#### 6.1 Non current assets classified as held for sale

Council currently has no non current asset held for sale.

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Notes to the Financial Report  
For the Year Ended 30 June 2020

Note 6 Assets we manage

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

Consolidated	At fair value 30 June 2019	First time recognition of assets	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Transfers from Provisions	At fair value 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	67,497	142	950	-	-	-	(136)	-	1,275	-	69,728
Buildings	110,098	-	509	-	-	(2,723)	(9)	-	429	-	108,304
Plant and equipment	47,639	4	3,044	-	-	(3,070)	(722)	-	552	-	47,447
Infrastructure	611,972	878	5,853	924	14,595	(12,460)	(3,015)	(602)	4,854	4,504	627,503
Work in progress	28,329	-	24,967	-	-	-	-	(1,129)	(7,110)	-	45,057
	<b>865,535</b>	<b>1,024</b>	<b>35,323</b>	<b>924</b>	<b>14,595</b>	<b>(18,253)</b>	<b>(3,882)</b>	<b>(1,731)</b>	<b>-</b>	<b>4,504</b>	<b>898,039</b>

Summary of work in progress	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	2,360	10,821	(92)	(1,704)	11,385
Plant and equipment	1,420	2,235	(3)	(552)	3,100
Infrastructure	24,549	11,911	(1,034)	(4,854)	30,572
<b>Total</b>	<b>28,329</b>	<b>24,967</b>	<b>(1,129)</b>	<b>(7,110)</b>	<b>45,057</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**6.2 Property, infrastructure, plant and equipment (cont'd)**

<b>Asset recognition thresholds and depreciation periods</b>	<b>Depreciation period</b>	<b>Threshold limit \$'000</b>
Land and land improvements		
land	-	5
Buildings		
buildings	60 years	10
Plant and equipment		
plant and equipment	3 - 12 years	5
fixtures, fittings and furniture	4 - 10 years	5
artworks	-	0.5
library books	-	In aggregate
Infrastructure		
footpaths and cycle ways	10 - 50 years	10
road kerb and channel	50 years	10
road pavements	20 - 50 years	10
road seals	5 - 50 years	10
Drainage	50 - 150 years	10
Waste management	10 - 30 years	10
Aerodromes	50 years	10
Off street car parks	50 years	10
Recreational, leisure and community	10 - 25 years	10
Parks, open spaces and streetscapes	10 - 50 years	10
Intangible assets		
software	3 - 15 years	1
Water rights	-	-

Notes to the Financial Report  
For the Year Ended 30 June 2020

6.2 Property, infrastructure, plant and equipment (cont'd)  
(a) Property

	Land - specialised	Land - non specialised	Land under roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>									
At fair value 1 July 2019	42,097	12,294	13,106	67,497	210,054	8,667	218,721	2,360	288,578
Accumulated depreciation at 1 July 2019	-	-	-	-	(105,028)	(3,595)	(108,623)	-	(108,623)
	42,097	12,294	13,106	67,497	105,026	5,072	110,098	2,360	179,955
First time recognition of assets	-	136	6	142	-	-	-	-	142
	42,097	12,430	13,112	67,639	105,026	5,072	110,098	2,360	180,097
<b>Movements in fair value</b>									
Additions	74	876	-	950	280	229	509	10,821	12,280
Disposal	-	(136)	-	(136)	(44)	-	(44)	-	(180)
Write-off	-	-	-	-	-	-	-	(92)	(92)
Transfers	1,275	-	-	1,275	303	126	429	(1,704)	-
	1,349	740	-	2,089	539	355	894	9,025	12,008
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	-	-	-	-	(2,567)	(156)	(2,723)	-	(2,723)
Accumulated depreciation of disposals	-	-	-	-	35	-	35	-	35
	-	-	-	-	(2,532)	(156)	(2,688)	-	(2,688)
At fair value 30 June 2020	43,446	13,170	13,112	69,728	210,593	9,022	219,615	11,385	300,728
Accumulated depreciation at 30 June 2020	-	-	-	-	(107,560)	(3,751)	(111,311)	-	(111,311)
	43,446	13,170	13,112	69,728	103,033	5,271	108,304	11,385	189,417

Notes to the Financial Report  
For the Year Ended 30 June 2020

6.2 Property, infrastructure, plant and equipment (cont'd)

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures and furniture	Computer and telecommunic ations	Artwork	Library books	Total plant and equipment	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>								
At fair value 1 July 2019	35,277	743	2,692	27,812	4,450	70,974	1,420	72,394
Accumulated depreciation at 1 July 2019	(18,137)	(350)	(1,760)	-	(3,088)	(23,335)	-	(23,335)
	<b>17,140</b>	<b>393</b>	<b>932</b>	<b>27,812</b>	<b>1,362</b>	<b>47,639</b>	<b>1,420</b>	<b>49,059</b>
<b>Movements in fair value</b>								
Additions	2,673	87	10	2	272	3,044	2,235	5,279
Recognitions	-	-	-	4	-	4	-	4
Disposal	(1,936)	-	-	-	-	(1,936)	-	(1,936)
Write-off	-	-	-	-	-	-	(3)	(3)
Transfers	107	411	-	-	34	552	(552)	-
	<b>844</b>	<b>498</b>	<b>10</b>	<b>6</b>	<b>306</b>	<b>1,664</b>	<b>1,680</b>	<b>3,344</b>
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	(2,438)	(124)	(247)	-	(261)	(3,070)	-	(3,070)
Accumulated depreciation of disposals	1,214	-	-	-	-	1,214	-	1,214
	<b>(1,224)</b>	<b>(124)</b>	<b>(247)</b>	<b>-</b>	<b>(261)</b>	<b>(1,856)</b>	<b>-</b>	<b>(1,856)</b>
At fair value 30 June 2020	36,121	1,241	2,702	27,818	4,756	72,638	3,100	75,738
Accumulated depreciation at 30 June 2020	(19,361)	(474)	(2,007)	-	(3,349)	(25,191)	-	(25,191)
	<b>16,760</b>	<b>767</b>	<b>695</b>	<b>27,818</b>	<b>1,407</b>	<b>47,447</b>	<b>3,100</b>	<b>50,547</b>

Notes to the Financial Report  
For the Year Ended 30 June 2020

6.2 Property, infrastructure, plant and equipment (cont'd)  
(c) Infrastructure

	Roads	Kerb and channel	Footpaths and cycle ways	Drainage	Recreational, leisure and community	Waste Management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Total infrastructure	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>												
At fair value 1 July 2019	492,528	23,036	50,714	163,512	52,440	12,475	16,020	42,989	14,075	867,789	24,549	892,338
Accumulated depreciation at 1 July 2019	(160,972)	(7,428)	(31,712)	(30,917)	(10,619)	(2,722)	(2,657)	(4,107)	(4,683)	(255,817)	-	(255,817)
	<b>331,556</b>	<b>15,608</b>	<b>19,002</b>	<b>132,595</b>	<b>41,821</b>	<b>9,753</b>	<b>13,363</b>	<b>38,882</b>	<b>9,392</b>	<b>611,972</b>	<b>24,549</b>	<b>636,521</b>
<b>Movements in fair value</b>												
Additions	4,767	70	264	214	-	-	415	99	24	5,853	11,911	17,764
Contributions	-	-	-	824	-	-	100	-	-	924	-	924
Recognitions	231	4	101	699	-	-	-	-	-	1,035	-	1,035
Revaluation	14,292	946	1,723	(768)	1,542	385	2,769	-	(26)	20,863	-	20,863
Disposal	(4,608)	(1,810)	(80)	(366)	-	-	(148)	-	(95)	(7,107)	(25)	(7,132)
Write-off	-	-	-	-	-	(602)	-	-	-	(602)	(1,009)	(1,611)
Transfers	1,721	116	111	1,930	40	300	153	30	453	4,854	(4,854)	-
Transfers from Provisions	-	-	-	-	-	4,504	-	-	-	4,504	-	4,504
	<b>16,403</b>	<b>(674)</b>	<b>2,119</b>	<b>2,533</b>	<b>1,582</b>	<b>4,587</b>	<b>3,289</b>	<b>129</b>	<b>356</b>	<b>30,324</b>	<b>6,023</b>	<b>36,347</b>
<b>Movements in accumulated depreciation</b>												
Depreciation and amortisation	(7,129)	(284)	(820)	(1,144)	(744)	(379)	(904)	(856)	(200)	(12,460)	-	(12,460)
Accumulated depreciation of disposals	3,538	193	61	116	-	-	124	-	60	4,092	-	4,092
Accumulated depreciation of recognitions	(10)	(1)	(3)	(143)	-	-	-	-	-	(157)	-	(157)
Accumulated depreciation of revaluations	(5,037)	(24)	(1,021)	(169)	498	-	(409)	-	(106)	(6,268)	-	(6,268)
	<b>(8,638)</b>	<b>(116)</b>	<b>(1,783)</b>	<b>(1,340)</b>	<b>(246)</b>	<b>(379)</b>	<b>(1,189)</b>	<b>(856)</b>	<b>(246)</b>	<b>(14,793)</b>	<b>-</b>	<b>(14,793)</b>
At fair value 30 June 2020	508,931	22,362	52,833	166,045	54,022	17,062	19,309	43,118	14,431	898,113	30,572	928,685
Accumulated depreciation at 30 June 2020	(169,610)	(7,544)	(33,495)	(32,257)	(10,865)	(3,101)	(3,846)	(4,963)	(4,929)	(270,610)	-	(270,610)
	<b>339,321</b>	<b>14,818</b>	<b>19,338</b>	<b>133,788</b>	<b>43,157</b>	<b>13,961</b>	<b>15,463</b>	<b>38,155</b>	<b>9,502</b>	<b>627,503</b>	<b>30,572</b>	<b>658,075</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**6.2 Property, infrastructure, plant and equipment**

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

Council	At fair value 30 June 2019	First time recognition of assets	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Transfers from Provisions	At fair value 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	67,361	142	950	-	-	-	-	-	1,275	-	69,728
Buildings	101,047	-	457	-	-	(2,503)	(9)	-	429	-	99,421
Plant and equipment	46,168	4	2,803	-	-	(2,821)	(678)	-	141	-	45,617
Infrastructure	570,545	878	5,726	924	14,595	(11,503)	(3,015)	(602)	4,824	4,504	586,876
Work in progress	28,284	-	24,480	-	-	-	-	(1,104)	(6,669)	-	44,991
	<b>813,405</b>	<b>1,024</b>	<b>34,416</b>	<b>924</b>	<b>14,595</b>	<b>(16,827)</b>	<b>(3,702)</b>	<b>(1,706)</b>	<b>-</b>	<b>4,504</b>	<b>846,633</b>

Summary of work in progress	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	2,775	10,821	(92)	(1,704)	11,800
Plant and equipment	1,420	1,799	(3)	(141)	3,075
Infrastructure	24,089	11,860	(1,009)	(4,824)	30,116
<b>Total</b>	<b>28,284</b>	<b>24,480</b>	<b>(1,104)</b>	<b>(6,669)</b>	<b>44,991</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**6.2 Property, infrastructure, plant and equipment (cont'd)**

<b>Asset recognition thresholds and depreciation periods</b>	<b>Depreciation period</b>	<b>Threshold limit \$'000</b>
Land and land improvements		
land	-	5
Buildings		
buildings	60 years	10
Plant and equipment		
plant and equipment	3 - 12 years	5
fixtures, fittings and furniture	4 - 10 years	5
artworks	-	1
library books	-	In aggregate
Infrastructure		
footpaths and cycle ways	10 - 50 years	10
road kerb and channel	50 years	10
road pavements	20 - 50 years	10
road seals	5 - 50 years	10
Drainage	50 - 150 years	10
Waste management	10 - 30 years	10
Aerodromes	50 years	10
Off street car parks	50 years	10
Recreational, leisure and community	10 - 25 years	10
Parks, open spaces and streetscapes	10 - 50 years	10
Intangible assets		
software	3 - 15 years	1
Water rights	-	-



Notes to the Financial Report  
For the Year Ended 30 June 2020

6.2 Property, infrastructure, plant and equipment (cont'd)  
(a) Property

Council	Land - specialised	Land - non specialised	Land under roads	Total land and land improvement	Buildings - specialised	Buildings - non specialised	Total buildings	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	42,097	12,158	13,106	67,361	200,172	8,041	208,213	2,775	278,349
Accumulated depreciation at 1 July 2019	-	-	-	-	(103,891)	(3,275)	(107,166)	-	(107,166)
	42,097	12,158	13,106	67,361	96,281	4,766	101,047	2,775	171,183
First time recognition of assets	-	136	6	142	-	-	-	-	142
	42,097	12,294	13,112	67,503	96,281	4,766	101,047	2,775	171,325
<b>Movements in fair value</b>									
Additions	74	876	-	950	228	229	457	10,821	12,228
Disposal	-	-	-	-	(44)	-	(44)	-	(44)
Write-off	-	-	-	-	-	-	-	(92)	(92)
Transfers	1,275	-	-	1,275	303	126	429	(1,704)	-
	1,349	876	-	2,225	487	355	842	9,025	12,092
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	-	-	-	-	(2,390)	(113)	(2,503)	-	(2,503)
Accumulated depreciation of disposals	-	-	-	-	35	-	35	-	35
	-	-	-	-	(2,355)	(113)	(2,468)	-	(2,468)
At fair value 30 June 2020	43,446	13,170	13,112	69,728	200,659	8,396	209,055	11,800	290,583
Accumulated depreciation at 30 June 2020	-	-	-	-	(106,246)	(3,388)	(109,634)	-	(109,634)
	43,446	13,170	13,112	69,728	94,413	5,008	99,421	11,800	180,949

Notes to the Financial Report  
For the Year Ended 30 June 2020

6.2 Property, infrastructure, plant and equipment (cont'd)

(b) Plant and equipment

Council	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecommu- nications	Artwork	Library books	Total plant and equipment	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	32,199	540	2,217	27,812	4,450	67,218	1,420	68,638
Accumulated depreciation at 1 July 2019	(16,408)	(269)	(1,285)	-	(3,088)	(21,050)	-	(21,050)
	15,791	271	932	27,812	1,362	46,168	1,420	47,588
<b>Movements in fair value</b>								
Additions	2,529	-	-	2	272	2,803	1,799	4,602
Recognitions	-	-	-	4	-	4	-	4
Disposal	(1,892)	-	-	-	-	(1,892)	-	(1,892)
Write-off	-	-	-	-	-	-	(3)	(3)
Transfers	107	-	-	-	34	141	(141)	-
	744	-	-	6	306	1,056	1,655	2,711
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	(2,255)	(59)	(246)	-	(261)	(2,821)	-	(2,821)
Accumulated depreciation of disposals	1,214	-	-	-	-	1,214	-	1,214
	(1,041)	(59)	(246)	-	(261)	(1,607)	-	(1,607)
At fair value 30 June 2020	32,943	540	2,217	27,818	4,756	68,274	3,075	71,349
Accumulated depreciation at 30 June 2020	(17,449)	(328)	(1,531)	-	(3,349)	(22,657)	-	(22,657)
	15,494	212	686	27,818	1,407	45,617	3,075	48,692

Notes to the Financial Report  
For the Year Ended 30 June 2020

6.2 Property, infrastructure, plant and equipment (cont'd)

(c) Infrastructure

Council	Roads	Kerb and channel	Footpaths and cycle ways	Drainage	Recreational, leisure and community	Waste management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Total infrastructure	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	492,528	23,036	50,714	163,050	52,172	12,475	15,614	-	11,639	821,228	24,089	845,317
Accumulated depreciation at 1 July 2019	(160,972)	(7,428)	(31,712)	(30,846)	(10,553)	(2,722)	(2,405)	-	(4,045)	(250,683)	-	(250,683)
	<b>331,556</b>	<b>15,608</b>	<b>19,002</b>	<b>132,204</b>	<b>41,619</b>	<b>9,753</b>	<b>13,209</b>	<b>-</b>	<b>7,594</b>	<b>570,545</b>	<b>24,089</b>	<b>594,634</b>
<b>Movements in fair value</b>												
Additions	4,767	70	264	214	-	-	395	-	16	5,726	11,860	17,586
Contributions	-	-	-	824	-	-	100	-	-	924	-	924
Recognitions	231	4	101	699	-	-	-	-	-	1,035	-	1,035
Revaluation	14,292	946	1,723	(768)	1,542	385	2,769	-	(26)	20,863	-	20,863
Disposal	(4,608)	(1,810)	(80)	(366)	-	-	(148)	-	(95)	(7,107)	-	(7,107)
Write-off	-	-	-	-	-	(602)	-	-	-	(602)	(1,009)	(1,611)
Transfers	1,721	116	111	1,930	40	300	153	-	453	4,824	(4,824)	-
Transfers from Provisions	-	-	-	-	-	4,504	-	-	-	4,504	-	4,504
	<b>16,403</b>	<b>(674)</b>	<b>2,119</b>	<b>2,533</b>	<b>1,582</b>	<b>4,587</b>	<b>3,269</b>	<b>-</b>	<b>348</b>	<b>30,167</b>	<b>6,027</b>	<b>36,194</b>
<b>Movements in accumulated depreciation</b>												
Depreciation and amortisation	(7,129)	(284)	(820)	(1,144)	(744)	(379)	(877)	-	(126)	(11,503)	-	(11,503)
Accumulated depreciation of disposals	3,538	193	61	116	-	-	124	-	60	4,092	-	4,092
Accumulated depreciation of recognitions	(10)	(1)	(3)	(143)	-	-	-	-	-	(157)	-	(157)
Accumulated depreciation of revaluations	(5,037)	(24)	(1,021)	(169)	498	-	(409)	-	(106)	(6,268)	-	(6,268)
	<b>(8,638)</b>	<b>(116)</b>	<b>(1,783)</b>	<b>(1,340)</b>	<b>(246)</b>	<b>(379)</b>	<b>(1,162)</b>	<b>-</b>	<b>(172)</b>	<b>(13,836)</b>	<b>-</b>	<b>(13,836)</b>
At fair value 30 June 2020	508,931	22,362	52,833	165,583	53,754	17,062	18,883	-	11,987	851,395	30,116	881,511
Accumulated depreciation at 30 June 2020	(169,610)	(7,544)	(33,495)	(32,186)	(10,799)	(3,101)	(3,567)	-	(4,217)	(264,519)	-	(264,519)
	<b>339,321</b>	<b>14,818</b>	<b>19,338</b>	<b>133,397</b>	<b>42,955</b>	<b>13,961</b>	<b>15,316</b>	<b>-</b>	<b>7,770</b>	<b>586,876</b>	<b>30,116</b>	<b>616,992</b>

## Notes to the Financial Report For the Year Ended 30 June 2020

### 6.2 Property, infrastructure, plant and equipment (cont'd)

#### **Acquisition**

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

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

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

#### **Land under roads**

Council recognises land under roads it controls at fair value.

#### **Depreciation**

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

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

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

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

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

#### **Repairs and maintenance**

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

#### **Valuation of land and buildings**

Valuation of land and buildings were undertaken by qualified valuer Mr Con Demis AAPI, Certified Practising Valuer (Council Officer). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions and drainage basins the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

## Notes to the Financial Report For the Year Ended 30 June 2020

### 6.2 Property, infrastructure, plant and equipment (cont'd)

#### *Valuation of land and building (cont'd)*

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

The land and buildings were subject to full independent valuation in December 2018 by accredited independent valuers. Council does not believe there has been a material movement in fair value since the 30 June 2020 valuation date.

The fair value of land and building has been reassessed by Council during the COVID-19 pandemic, during a period of limited market activity and low sales volumes. While Council's review did not indicate impairment of land and buildings, it does present estimation uncertainty regarding the valuation of land and buildings by acknowledging that past cycles indicate a lag for property markets to react to economic events, and that the extent of any decline in value is presently uncertain, and may depend on the length of the COVID-19 pandemic. Also, there is not yet any comparable market evidence available to determine what, if any, impact the current COVID-19 pandemic may have on the value or marketability of the subject property, particularly in the short and medium terms.

The fair value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that Council could not reasonably have been aware of as at the date of valuation). Refer to Significant accounting policies under Overview section and Note 8.4 for further information on fair value measurement.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land	-	13,170	43,446	Dec-18
Specialised land	-	-	13,112	Dec-18
Buildings	-	5,008	94,413	Dec-18
<b>Total</b>	<b>-</b>	<b>18,178</b>	<b>150,971</b>	

## Notes to the Financial Report For the Year Ended 30 June 2020

### 6.2 Property, infrastructure, plant and equipment (cont'd)

#### *Valuation of infrastructure*

Valuation of infrastructure assets has been undertaken by Danny Barnes, (B Env Mgmt.) (Council Officer).

The date of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year, this valuation was based on Rawlinson's indexation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	339,321	Jun-20
Kerb and channel	-	-	14,818	Jun-20
Footpaths and cycle ways	-	-	19,338	Jun-20
Drainage	-	-	133,397	Jun-20
Recreational, leisure and community facilities	-	-	42,955	Jun-20
Waste management	-	-	13,961	Jun-20
Parks, open space and streetscapes	-	-	15,316	Jun-20
Off street car parks	-	-	7,770	Jun-20
<b>Total</b>	-	-	<b>586,876</b>	

Aerodrome infrastructure assets are held under the cost model and are carried at historic cost less accumulated depreciation and any accumulated impairment losses.

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

**Specialised land and land under roads** is valued using a market based direct comparison technique.

Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 30% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.003 and \$350.00 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$66 to \$6,184 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

## Notes to the Financial Report For the Year Ended 30 June 2020

### 6.2 Property, infrastructure, plant and equipment (cont'd)

**Infrastructure asset** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2020	2019
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	13,112	13,106
Land - Parks and reserves, etc	43,446	42,097
<b>Total specialised land</b>	<b>56,558</b>	<b>55,203</b>

## Notes to the Financial Report For the Year Ended 30 June 2020

### Note 7 People and relationships

#### 7.1 Council and key management remuneration

##### (a) Related parties

###### *Parent entity*

Mildura Rural City Council is the parent entity.

###### *Subsidiaries and associates*

Mildura Airport Pty Ltd and Mildura Tourism and Economic Development Ltd trading as Mildura Regional Development are fully consolidated subsidiary and form part of Mildura Rural City Council financial statements.

##### (b) Key management personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

###### **Councillors**

Councillor	Simon Clemence (Mayor)	1/07/2019 to	30/06/2020
Councillor	Min Poole	1/07/2019 to	30/06/2020
<i>Note – Cr Poole was Deputy Mayor during this period from:</i>		6/11/2019 to	30/06/2020
Councillor	Jason Modica	1/07/2019 to	30/06/2020
<i>Note – Cr Modica was Deputy Mayor during this period from:</i>		1/07/2019 to	6/11/2019
Councillor	Anthony Cirillo	1/07/2019 to	30/06/2020
Councillor	Gavin Sedgmen	1/07/2019 to	30/06/2020
Councillor	Glenn Milne	1/07/2019 to	30/06/2020
Councillor	Greg Brown	1/07/2019 to	30/06/2020
Councillor	Helen Healy	1/07/2019 to	30/06/2020
Councillor	Mark Eckel	1/07/2019 to	30/06/2020

###### **Chief Executive Officer and key management personnel**

Sarah Philpott	Chief Executive Officer	05/08/2019 to	30/06/2020
Allan Bawden	Chief Executive Officer (Interim)	01/07/2019 to	04/08/2019
Chris Parham	General Manager Corporate	01/07/2019 to	30/06/2020
Mandy Whelan	General Manager Development	01/07/2019 to	30/06/2020
Martin Hawson	General Manager Community	01/07/2019 to	30/06/2020

During the financial year 8 senior officers acted in positions that made them key management personnel for short periods. During these periods no related party transactions were entered into by any related party of these senior officers.



**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**7.1 Council and key management remuneration (cont'd)**

	2020	2019
	No.	No.
Total number of Councillors	9	11
Total of Chief Executive Officer and other Key Management Personnel	5	5
<b>Total key management personnel</b>	<b>14</b>	<b>16</b>
<b>(c) Remuneration of key management personnel</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,342	1,369
Post employment benefits	94	89
Termination benefits	-	29
<b>Total</b>	<b>1,436</b>	<b>1,487</b>
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
\$1 - \$9,999	-	2
\$10,000 - \$19,999	-	2
\$20,000 - \$29,999	8	5
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	-	2
\$80,000 - \$89,999	1	-
\$220,000 - \$229,999	-	1
\$250,000 - \$259,999	1	1
\$260,000 - \$269,999	2	2
\$290,000 - \$299,999	1	-
	<b>14</b>	<b>16</b>

**7.1 Council and key management remuneration**

**(d) Senior officer remuneration**

A senior officer is an officer of council, other than key management personnel, who:

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

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

	2020	2019
	No.	No.
Income Range:		
\$151,000 - \$159,999	3	3
\$160,000 - \$169,999	1	2
\$170,000 - \$179,999	7	3
\$180,000 - \$189,999	5	6
\$190,000 - \$199,999	-	2
	<b>16</b>	<b>16</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**(d) Senior officer remuneration (cont'd)**

	\$'000	\$'000
Total remuneration for the reporting year for senior officers included above, amounted to:	2,797	2,791

**7.2 Related party disclosure**

**(a) Transactions with related parties**

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

Employee expenses for close family members of key management	38	19
	<u>38</u>	<u>19</u>

\* All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the award for the job they perform. Council employs 631 staff of which only 1 is a close family member of key management personnel.

**(b) Outstanding balances with related parties**

No expense has been recognised in the current year or prior year in respect of amounts owed by related parties.

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

Council does not make loans to, receive loans from, or provide guarantees to any related parties as listed above at 7.1(b).

Council has a loan facility with Mildura Airport Pty Ltd which was originally established for upgrade of airport runway. This is disclosed in note 5.1(c.) Trade and other receivables.

Council provides an annual funding contribution to Mildura Tourism and Economic Development Ltd which is approved in Council annual budget allocation. For the 2019-20 financial year the amount funding was \$1.23 million. Please note this is not a loan to related party but an annual funding contribution.

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

Council has committed to supporting both the Mildura Airport Pty Ltd and Mildura Tourism and Economic Development Ltd. Council has provided assurance that financial support will continue to be provided to ensure these entities continue to operate as a going concern. Refer to Note 8.1(b).

## Notes to the Financial Report For the Year Ended 30 June 2020

### Note 8 Managing uncertainties

#### 8.1 Contingent assets and liabilities

##### (a) Contingent assets

###### *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 consumer price index (CPI) based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Not later than one year	641	771	271	304
Later than one year and not later than five years	1,863	1,799	773	872
Later than five years	1,932	1,587	1,319	1,435
	4,436	4,157	2,363	2,611

##### (b) Contingent liabilities

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

###### *Superannuation*

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

###### **Municipal Association of Victoria (MAV) Work care**

Council is a participant of the MAV work care scheme. The MAV work care scheme provides workers compensation insurance. The MAV work care scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

###### **Support for financial subsidiaries**

Due to the COVID-19 pandemic Mildura Rural City Council has guaranteed financial support for two of its wholly owned subsidiaries to ensure they can continue to operate as a going concern. These subsidiaries are Mildura Airport Pty Ltd and Mildura Tourism and Economic Development Ltd trading as Mildura Regional Development. This support is for a period of twelve months from the date of adoption of the Financial Statements.

## Notes to the Financial Report For the Year Ended 30 June 2020

### 8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

#### ***AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)***

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

#### ***AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)***

The Standard principally amends *AASB 101 Presentation of Financial Statements* and *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

#### ***AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)***

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

## Notes to the Financial Report For the Year Ended 30 June 2020

### 8.3 Financial instruments

#### (a) Objectives and policies

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

#### (b) Market risk

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

#### *Interest rate risk*

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

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

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

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

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

## Notes to the Financial Report For the Year Ended 30 June 2020

### 8.3 Financial instruments (cont'd)

#### (c) Credit risk

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

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors.

Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

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

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

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

#### (d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and is deemed insignificant based on prior periods' data and current assessment of risk.

## Notes to the Financial Report For the Year Ended 30 June 2020

### 8.3 Financial instruments (cont'd)

#### (e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council does not believe there will be any shift in market interest rates from year end rates. Therefore, there will not be any material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council Operations.

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

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

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

### 8.4 Fair value measurement

#### *Fair value hierarchy*

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

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

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

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

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

## Notes to the Financial Report For the Year Ended 30 June 2020

### 8.4 Fair value measurement (cont'd)

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

#### *Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 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 reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

#### *Impairment of assets*

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

### 8.5 Events occurring after balance date

There have been no significant events occurring after the balance date which may affect the Council's operations or the results of those operations, except for noting that the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact after the reporting date.



**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**Note 9 Other matters**

**9.1 Reserves**

**(a) Asset revaluation reserves**

<b>Consolidated</b>	<b>Balance at beginning of reporting period</b>	<b>Increment (decrement)</b>	<b>Balance at end of reporting period</b>
<b>2020</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Property</b>			
Land	20,700	-	20,700
Buildings	58,495	-	58,495
	<b>79,195</b>	<b>-</b>	<b>79,195</b>
<b>Plant and equipment</b>			
Artwork	14,595	-	14,595
	<b>14,595</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>			
Roads	240,655	9,255	249,910
Drainage	52,789	(1,440)	51,349
Drainage basins	3,687	503	4,190
Recreational, leisure and community facilities	40,629	2,040	42,669
Waste management *	(385)	385	-
Parks, open space and streetscapes	3,043	2,360	5,403
Aerodromes	9,594	-	9,594
Off-street car parks	5,194	(132)	5,062
Footpaths	23,468	702	24,170
Kerb and channel	10,555	922	11,477
	<b>389,229</b>	<b>14,595</b>	<b>403,824</b>
<b>Water rights</b>			
Water rights	7,821	709	8,530
	<b>7,821</b>	<b>709</b>	<b>8,530</b>
<b>Total asset revaluation reserves</b>	<b>490,840</b>	<b>15,304</b>	<b>506,144</b>

\* There was also a prior period correction for the waste asset revaluation reserve of \$0.385 million which should have been expensed in 2018-2019. Please refer to Statement of change in equity.

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**9.1 Reserves (cont'd)**

**(a) Asset revaluation reserves**

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>Consolidated</b>			
<b>2019</b>			
<b>Property</b>			
Land	15,878	4,822	20,700
Buildings	59,283	(788)	58,495
	<b>75,161</b>	<b>4,034</b>	<b>79,195</b>
<b>Plant and equipment</b>			
Artwork	14,595	-	14,595
	<b>14,595</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>			
Roads	171,997	68,658	240,655
Drainage	52,309	480	52,789
Drainage basins	3,285	402	3,687
Recreational, leisure and community facilities	41,346	(717)	40,629
Waste management	182	(567)	(385)
Parks, open space and streetscapes	3,624	(581)	3,043
Aerodromes	9,594	-	9,594
Off-street car parks	8,496	(3,302)	5,194
Footpaths	22,638	830	23,468
Kerb and channel	16,465	(5,910)	10,555
	<b>329,936</b>	<b>59,293</b>	<b>389,229</b>
<b>Water rights</b>			
Water rights	4,999	2,822	7,821
	<b>4,999</b>	<b>2,822</b>	<b>7,821</b>
<b>Total asset revaluation reserves</b>	<b>424,691</b>	<b>66,149</b>	<b>490,840</b>

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

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**9.1 Reserves (cont'd)**

**(a) Asset revaluation reserves**

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>Council</b>			
<b>2020</b>			
<b>Property</b>			
Land	20,700	-	20,700
Buildings	58,358	-	58,358
	<b>79,058</b>	<b>-</b>	<b>79,058</b>
<b>Plant and equipment</b>			
Artwork	14,595	-	14,595
	<b>14,595</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>			
Roads	240,655	9,255	249,910
Drainage	52,789	(1,440)	51,349
Drainage basins	3,687	503	4,190
Recreational, leisure and community facilities	40,629	2,040	42,669
Waste management *	(385)	385	-
Parks, open space and streetscapes	3,043	2,360	5,403
Aerodromes	9,594	-	9,594
Off-street car parks	5,194	(132)	5,062
Footpaths	23,468	702	24,170
Kerb and channel	10,555	922	11,477
	<b>389,229</b>	<b>14,595</b>	<b>403,824</b>
<b>Water rights</b>			
Water rights	7,785	697	8,482
	<b>7,785</b>	<b>697</b>	<b>8,482</b>
<b>Total asset revaluation reserves</b>	<b>490,667</b>	<b>15,292</b>	<b>505,959</b>

\* There was also a prior period correction for the waste asset revaluation reserve of \$0.385 million which should have been expensed in 2018-2019. Please refer to Statement of change in equity.

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**9.1 Reserves (cont'd)**

**(a) Asset revaluation reserves**

<b>Council</b>	<b>Balance at beginning of reporting period</b>	<b>Increment (decrement)</b>	<b>Balance at end of reporting period</b>
<b>2019</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Property</b>			
Land	15,878	4,822	20,700
Buildings	59,146	(788)	58,358
	<b>75,024</b>	<b>4,034</b>	<b>79,058</b>
<b>Plant and equipment</b>			
Artwork	14,595	-	14,595
	<b>14,595</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>			
Roads	171,997	68,658	240,655
Drainage	52,309	480	52,789
Drainage Basins	3,285	402	3,687
Recreational, leisure and community facilities	41,346	(717)	40,629
Waste management	182	(567)	(385)
Parks, open space and streetscapes	3,624	(581)	3,043
Aerodromes	9,594	-	9,594
Off-street car parks	8,496	(3,302)	5,194
Footpaths	22,638	830	23,468
Kerb and channel	16,465	(5,910)	10,555
	<b>329,936</b>	<b>59,293</b>	<b>389,229</b>
<b>Water rights</b>			
Water rights	4,999	2,786	7,785
	<b>4,999</b>	<b>2,786</b>	<b>7,785</b>
<b>Total asset revaluation reserves</b>	<b>424,554</b>	<b>66,113</b>	<b>490,667</b>

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

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**9.1 Reserves (cont'd)**

**(b) Other reserves**

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
Consolidated 2020	\$'000	\$'000	\$'000	\$'000
<b>Non discretionary reserves</b>				
Apex Park reserve	412	41	-	453
Drainage	186	-	-	186
Developer contribution reserve	2,044	482	(655)	1,871
Library book bequest reserve	15	-	(10)	5
DGR donations reserve - MAC Theatre	57	1	-	58
Merbein Caravan Park reserve	38	30	-	68
Lake Cullulleraine Caravan Park reserve	10	7	-	17
<b>Total</b>	<b>2,762</b>	<b>561</b>	<b>(665)</b>	<b>2,658</b>
<b>Discretionary reserves</b>				
Artwork acquisition reserve	56	45	(9)	92
Landfill redevelopment	8,795	2,000	(1,931)	8,864
Landfill rehabilitation reserve	492	165	(14)	643
Primary Care Partnership reserve	333	281	-	614
Small towns redevelopment reserve	427	18	(230)	215
Street light pole	8	-	-	8
VGC advance grants reserve	7,812	8,266	(7,812)	8,266
Land acquisition reserve	807	1,000	(978)	829
Water transfer proceeds reserve	44	-	-	44
Defined benefits reserve	1,000	1,000	-	2,000
Capital renewal reserve	7,014	-	(7,014)	-
Capital funding reserve	9,094	12,326	(6,929)	14,491
MRCC community drought reserve	-	1,000	-	1,000
MRCC developer contribution plan reserve	-	4,200	(655)	3,545
<b>Total</b>	<b>35,882</b>	<b>30,301</b>	<b>(25,572)</b>	<b>40,611</b>
<b>Total other reserves</b>	<b>38,644</b>	<b>30,862</b>	<b>(26,237)</b>	<b>43,269</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**9.1 Reserves (cont'd)**

**(b) Other reserves**

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>Consolidated 2019</b>				
<b>Non discretionary reserves</b>				
Apex Park reserve	318	94	-	412
Drainage	186	-	-	186
Developer contribution reserve	1,424	804	(184)	2,044
Library book bequest reserve	16	-	(1)	15
DGR donations reserve - MAC Theatre	41	200	(184)	57
Merbein Caravan Park reserve	3	35	-	38
Lake Cullulleraine Caravan Park reserve	-	10	-	10
<b>Total</b>	<b>1,988</b>	<b>1,143</b>	<b>(369)</b>	<b>2,762</b>
<b>Discretionary reserves</b>				
Artwork acquisition reserve	151	45	(140)	56
Landfill redevelopment	6,250	10,351	(7,806)	8,795
Landfill rehabilitation reserve	348	165	(21)	492
Primary Care Partnership reserve	316	480	(463)	333
Small towns redevelopment reserve	460	-	(33)	427
Street light pole	8	-	-	8
VGC advance grants reserve	7,595	7,812	(7,595)	7,812
Land acquisition reserve	417	500	(110)	807
Water transfer proceeds reserve	61	-	(17)	44
Defined benefits reserve	500	500	-	1,000
Capital renewal reserve	7,876	-	(862)	7,014
Capital funding reserve	-	9,094	-	9,094
<b>Total</b>	<b>23,982</b>	<b>28,947</b>	<b>(17,047)</b>	<b>35,882</b>
<b>Total other reserves</b>	<b>25,970</b>	<b>30,090</b>	<b>(17,416)</b>	<b>38,644</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**9.1 Reserves (cont'd)**

**(b) Other reserves**

<b>Council</b>	<b>Balance at beginning of reporting period</b>	<b>Transfer from accumulated surplus</b>	<b>Transfer to accumulated surplus</b>	<b>Balance at end of reporting period</b>
<b>2020</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non discretionary reserves</b>				
Apex Park reserve	412	41	-	453
Drainage	186	-	-	186
Developer contribution reserve	2,044	482	(655)	1,871
Library book bequest reserve	23	-	(10)	13
DGR donations reserve - MAC Theatre	57	1	-	58
Merbein Caravan Park reserve	38	30	-	68
Lake Cullulleraine Caravan Park reserve	10	7	-	17
<b>Total</b>	<b>2,770</b>	<b>561</b>	<b>(665)</b>	<b>2,666</b>
<b>Discretionary reserves</b>				
Artwork acquisition reserve	56	45	(9)	92
Landfill redevelopment	8,795	2,000	(1,931)	8,864
Landfill rehabilitation reserve	492	165	(14)	643
Primary Care Partnership reserve	333	281	-	614
Small towns redevelopment reserve	427	18	(230)	215
Street light pole	8	-	-	8
VGC advance grants reserve	7,812	8,266	(7,812)	8,266
Land acquisition reserve	807	1,000	(978)	829
Water transfer proceeds reserve	44	-	-	44
Defined benefits reserve	1,000	1,000	-	2,000
Capital renewal reserve	7,014	-	(7,014)	-
Capital funding reserve	9,094	12,326	(6,929)	14,491
MRCC community drought reserve	-	1,000	-	1,000
MRCC developer contribution plan reserve	-	4,200	(655)	3,545
<b>Total</b>	<b>35,882</b>	<b>30,301</b>	<b>(25,572)</b>	<b>40,611</b>
<b>Total other reserves</b>	<b>38,652</b>	<b>30,862</b>	<b>(26,237)</b>	<b>43,277</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**9.1 Reserves (cont'd)**

**(b) Other reserves**

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
Council	\$'000	\$'000	\$'000	\$'000
<b>2019</b>				
<b>Non discretionary reserves</b>				
Apex Park reserve	318	94	-	412
Drainage	186	-	-	186
Developer contribution reserve	1,424	804	(184)	2,044
Library book bequest reserve	24	-	(1)	23
DGR donations reserve - MAC Theatre	41	200	(184)	57
Merbein Caravan Park reserve	3	35	-	38
Lake Cullulleraine Caravan Park reserve	-	10	-	10
<b>Total</b>	<b>1,996</b>	<b>1,143</b>	<b>(369)</b>	<b>2,770</b>
<b>Discretionary reserves</b>				
Artwork acquisition reserve	151	45	(140)	56
Landfill redevelopment	6,250	10,351	(7,806)	8,795
Landfill rehabilitation reserve	348	165	(21)	492
Primary Care Partnership reserve	316	480	(463)	333
Small towns redevelopment reserve	460	-	(33)	427
Street light pole	8	-	-	8
VGC advance grants reserve	7,595	7,812	(7,595)	7,812
Land acquisition reserve	417	500	(110)	807
Water transfer proceeds reserve	61	-	(17)	44
Defined benefits reserve	500	500	-	1,000
Capital renewal reserve	7,876	-	(862)	7,014
Capital funding reserve	-	9,094	-	9,094
<b>Total</b>	<b>23,982</b>	<b>28,947</b>	<b>(17,047)</b>	<b>35,882</b>
<b>Total other reserves</b>	<b>25,978</b>	<b>30,090</b>	<b>(17,416)</b>	<b>38,652</b>



## Notes to the Financial Report For the Year Ended 30 June 2020

### 9.1 Reserves (cont'd)

Name of reserve	Nature and purpose
<b>Non discretionary reserves</b>	
Apex Park reserve	Set up under a Committee of Management agreement, 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.
Developer contribution reserve	Statutory developer contributions to be used for infrastructure asset categories which do not have a dedicated reserve above.
DGR donations reserve - MAC Theatre	Reserve to hold deductible gifts for the Mildura Arts Centre theatre and is a requirement of being registered as a deductible gift recipient by the Australian Taxation Office.
Drainage reserve	Developer contributions and Environmental Protection Agency, to be used for drainage studies.
Nature strips and trees reserve	Statutory developer contributions to be spent on street beautification.
Resort/recreation/open space reserve	Statutory developer contributions to be used for parks development.
Library book bequest reserve	Established to hold Library Book Bequest from deceased estate.
Merbein Caravan Park reserve	Set up where surplus funds are to be set aside for improvements to the park lands.
Lake Cullulleraine Caravan Park reserve	Set up where surplus funds are to be set aside for improvements to the park lands.
<b>Discretionary reserves</b>	
Artwork acquisition reserve	A reserve created for any annual unspent capital works expenditure allocation towards the restoration and expansion of Council's permanent artwork collection.
Asset renewal reserve	Established in order to take advantage of any possible matching funding, by way of government grants, for renewal of Council assets.
Landfill redevelopment reserve	Surplus on waste management operations, to be used for landfill reinstatement and purchase of new landfill sites.
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.
Street light pole reserve	Developer contributions for replacement of specialised street lighting poles in various subdivisions.

## Notes to the Financial Report For the Year Ended 30 June 2020

### 9.1 Reserves (cont'd)

Name of reserve	Nature and purpose
<b>Discretionary reserves</b>	
Small town redevelopment reserve	A reserve for funds set aside for long term strategies for the small towns within the municipality.
VGC advance grants reserve	Reserve created to hold financial assistance grant funding received in advance.
Land acquisition reserve	The reserve was created to allow for the purchase of land identified for a strategic purpose.
Water transfer proceeds reserve	The reserve was established to hold proceeds from the sale of permanent and temporary water for future water purchases.
Defined benefits reserve	This reserve was established to hold funding generated from rates to be used in the advent of another defined benefits call.
Capital renewal reserve	Reserve was established to hold rates funded capital works projects identified from 2017-2018 financial year.
Capital funding reserve	This reserve was established to hold rates funded capital works investments untied to any specific capital works project.
MRCC community drought reserve	This reserve was established to hold grant funding that is to be used to help communities affected by the drought.
MRCC developer contribution plan reserve	This reserve has been created to receive budget allocations that are to be used for the purpose of Council 's contribution towards developer contribution plan developments.

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

**9.1 Reserves (cont'd)**

**(c) Financial assets revaluation**

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation by an associate \$'000	Balance at end of reporting period \$'000
<b>Council</b>				
<b>2020</b>				
Interest in Mildura Airport Pty Ltd	34,399	(807)	14	33,606
Interest in Mildura Regional Development	751	14	-	765
	<b>35,150</b>	<b>(793)</b>	<b>14</b>	<b>34,371</b>
<b>Total financial assets revaluation</b>	<b>35,150</b>	<b>(793)</b>	<b>14</b>	<b>34,371</b>
<b>2019</b>				
Interest in Mildura Airport Pty Ltd	33,650	713	36	34,399
Interest in Mildura Regional Development	396	355	-	751
	<b>34,046</b>	<b>1,068</b>	<b>36</b>	<b>35,150</b>
<b>Total financial assets revaluation</b>	<b>34,046</b>	<b>1,068</b>	<b>36</b>	<b>35,150</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2020**

	Consolidated		Council	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>				
Surplus/(deficit) for the year	17,333	18,755	18,124	17,687
Depreciation/amortisation	18,495	19,452	17,060	18,027
(Profit)/loss on disposal of property, infrastructure, plant and equipment	3,365	1,393	3,194	1,393
Decrease in carrying amount of assets	1,377	-	1,377	-
(Gain)/loss on recognition of non current assets	(1,024)	(1,649)	(1,024)	(1,649)
Contributions - non-monetary assets	(924)	(2,853)	(924)	(2,853)
Interest expense	1,082	1,092	1,034	1,088
Prior period adjustment	(3,379)	-	(3,379)	-
(Increase)/decrease in landfill provision discount amount	(13)	6,611	(13)	6,611
<i>Change in assets and liabilities:</i>				
(Increase)/decrease in trade and other receivables	615	(305)	(2)	(90)
(Increase)/decrease in prepayments	219	(1,265)	214	(1,273)
Increase/(decrease) in trust fund deposits	(719)	381	(720)	382
Increase/(decrease) in trade and other payables	662	698	721	2
(Decrease)/increase in other liabilities	3,797	-	3,778	-
(Increase)/decrease in inventories	13	81	11	83
Increase/(decrease) in provisions	623	743	664	699
<b>Net cash provided by operating activities</b>	<b>41,522</b>	<b>43,134</b>	<b>40,115</b>	<b>40,107</b>

## Notes to the Financial Report For the Year Ended 30 June 2020

### 9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The Defined Benefit category provides lump sum benefits based on years of service and final average salary. In certain circumstances a defined benefit member may be eligible to purchase a lifetime pension with up to 50% of their lump sum benefit. The accumulation category receives fixed contributions from Mildura Rural City Council and Mildura Rural City Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the comprehensive income statement when they are made or due.

#### Accumulation

The Fund's accumulation categories, Vision My Super / Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings. For the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee legislation. Our commitment to accumulation plans is limited to making contributions in accordance with our minimum statutory requirements. 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.

The Superannuation Guarantee (SG) rate will remain at 9.5% for the next year, increasing to 10% from 1 July 2021, and eventually to 12% from 1 July 2025.

#### Defined Benefit

As provided under Paragraph 34 of AASB 119 - Employee Benefits, Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers, and the only time that the aggregate obligation is allocated to specific employers, is when a call is made. As a result, the level of participation of Council in the Fund, cannot be measured as a percentage compared with other participating employers. While there is an agreed methodology to allocate any shortfalls identified by the Funds Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 because of the pooled nature of the Fund's Defined Benefit category.

## Notes to the Financial Report For the Year Ended 30 June 2020

### 9.3 Superannuation (cont'd)

#### *Funding arrangements*

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

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

Net investment returns	6.0% pa
Salary information	3.5% pa
Price inflation (CPI)	2.0% pa

Vision Super has advised that the VBI index as at 30 June 2020 at 104.6%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

#### *Employer contributions*

##### *Regular contributions*

On the basis of the results of the 2017 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of entrenchment above the funded resignation or retirement benefit.

## Notes to the Financial Report For the Year Ended 30 June 2020

### 9.3 Superannuation (cont'd)

#### *Funding calls*

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

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

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

## Notes to the Financial Report For the Year Ended 30 June 2020

### The 2019 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019, and the last full actuarial investigation was conducted as at 30 June 2017.

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

	2018	2017
	\$m	\$m
A VBI surplus	151.3	69.8
A total service liability surplus	233.4	193.5
A discounted accrued benefits surplus	256.7	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category, plus expected future contributions, exceeds the value of expected future benefits and expenses as at 30 June 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

### The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020	2017
	Triennial investigation	Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.5% pa	3.5% pa
	for the first two years and 2.75% thereafter	
Price Inflation	2.0% pa	2.5% pa



## Notes to the Financial Report For the Year Ended 30 June 2020

### 10 Change in accounting policy

Council has adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities*, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

#### a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

*AASB 15 Revenue from Contracts with Customers* applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted *AASB 15 Revenue from Contracts with Customers* using the modified (cumulative catch up) method. Revenue for 2019 as reported under *AASB 118 Revenue* is not adjusted, because the new standard is only applied from the date of initial application.

*AASB 15 Revenue from Contracts with Customers* requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

#### b) AASB 16 Leases

*AASB 16 Leases* requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

#### c) AASB 1058 Income of Not-for-Profit Entities

*AASB 1058 Income of Not-for-Profit Entities* applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted *AASB 1058 Income of Not-for-Profit Entities* using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

*AASB 1058 Income of Not-for-Profit Entities* requires income to be recognised as Council satisfies the performance obligations under the contract.

## Notes to the Financial Report For the Year Ended 30 June 2020

### 10 Change in accounting policy (cont'd)

#### d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019 \$'000
Retained earnings at 30 June 2019	340,627
Income adjustment - impact of AASB 1058 <i>Income of Not-for-Profit Entities</i>	(3,379)
Prior period adjustment *	3,376
Expense adjustment - impact of AASB16 Leases	(465)
Retained earnings at 1 July 2019	<u>340,159</u>

\* Prior period adjustment includes provision for landfill and waste reserve. Refer to note 5 and 9.1

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

	As reported 30 June 2019 \$'000	Adjustments \$'000	Post adoption \$'000
<b>Assets</b>			
Right of use assets	-	1,188	1,188
	<u>-</u>	<u>1,188</u>	<u>1,188</u>
<b>Liabilities</b>			
Unearned income - operating grants	-	641	641
Unearned income - capital grants	-	3,379	3,379
Lease liability - current	-	83	83
Lease liability - non-current	-	1,570	1,570
	<u>-</u>	<u>5,673</u>	<u>5,673</u>

## Part 3: Performance Statement

# Mildura Rural City Council

## Performance Statement

For the year ended 30 June 2020



Mildura Rural City Council

## Performance Statement

For the year ended 30 June 2020

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### Description of municipality

Mildura is a growing regional city on the banks of the Murray River in north western Victoria bordering New South Wales and South Australia. Major townships within Mildura Rural City's urban area include Mildura, Irymple, Red Cliffs and Merbein. Other townships within Council's rural area include Ouyen, Walpeup, Murrayville, Underbool, Werrimull, Cullulleraine, Nangiloc and Colignan. The city's main industries include agriculture, horticulture, advanced manufacturing, logistics and services. The municipality covers an area of 22,330 square kilometres, making it the largest in Victoria and has an estimated resident population of 55,777 <sup>1</sup> which is projected to grow to 65,500 by the year 2036<sup>2</sup>.

### Operational summary

This year's performance results have been affected by a number of varying circumstances.

The coronavirus pandemic (COVID-19) restrictions have affected our ability to provide business as usual (see commentary under COVID-19).

First time recognition of three new accounting standards also influenced our operating revenue and expenditure with \$0.076 million amortisation on right of use assets and a reduction in grant income of \$0.399 million (unearned income) previously measured upon receipt of the funds to now being after the "delivery of performance obligations".

Council also has loss on disposals of \$3.194 million which resulted from the demolition of assets, mainly roads, as part of our renewal and upgrade programs. There was also \$0.924 million in infrastructure and land that was contributed to the council by developers.

### COVID-19

The COVID-19 pandemic has affected everyone in our community including front-line workers who deliver our services. To keep everyone safe, some council services such as events, art centre, library and playgrounds were closed, while others took their programs online. Fortunately, some of the council's front-line services, such as waste collections and road construction, were able to continue as normal with little impact on services. Some of the actions in this report have been affected by the COVID-19 pandemic in some way, mostly as the result of some operations being closed and scheduled community events being cancelled. However, a significant amount of actions and services were able to continue through a shift to remote delivery.

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<sup>1</sup> Source: Australian Bureau of Statistics Catalogue 3218.0 Population Estimates by Local Government Area (ERP at 30 June 2019)

<sup>2</sup> Source: Victoria in Future 2019: Population projections 2016 to 2056, July 2019 (DELWP)

## Sustainable Capacity Indicators

For the year ended 30 June 2020

	Results				
Indicator/measure	2017	2018	2019	2020	Material Variations
Population					
C1 - Expenses per head of municipal population [Total expenses / Municipal population]	\$1,969.85	\$1,971.98	\$1,938.74	\$1,912.10	
C2 - Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$12,125.67	\$12,404.80	\$13,438.60	\$13,928.77	
C3 - Population density per length of road [Municipal population / Kilometres of local roads]	10.45	10.82	10.76	10.81	
Own-source revenue					
C4 - Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,556.39	\$1,550.91	\$1,583.28	\$1,583.72	

<b>Recurrent grants</b>					
C5 - Recurrent grants per head of municipal population	\$559.42	\$450.36	\$419.90	\$465.28	
[Recurrent grants / Municipal population]					
<b>Disadvantage</b>					
C6 - Relative Socio-Economic Disadvantage	1.00	1.00	1.00	1.00	
[Index of Relative Socio-Economic Disadvantage by decile]					
<b>Workforce Turnover</b>					
C7 - Percentage of staff turnover	12.4%	14.6%	22.9%	9.8%	Council outsourced aquatic services in 2018/19. Staff turnover has been relatively stable in 2019/2020.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100					

## Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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



## Service Performance Indicators

For the year ended 30 June 2020

Service/indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Aquatic Facilities				5.55	The considerable reduction in 2018/2019 was due to the change in data collection methodology. The methodology in 2019/2020 has returned to the previous methodology, however the visitation has not returned to 2017/2018 levels due to the facility being closed for approximately 3 months due to COVID-19.
Utilisation					
AF6 - Utilisation of aquatic facilities	8.72	8.71	3.72		
[Number of visits to aquatic facilities / Municipal population]					
Animal Management				0	
Health and safety					
AM7 - Animal management prosecutions					
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	New in 2020		

<b>Food Safety</b>						Service delivery was impacted by the availability of suitably qualified Environmental Health Officers. Council continues to prioritise its response given the nature of the non-compliance notification and available resources.
<b>Health and safety</b>						
<i>FS4 - Critical and major non-compliance outcome notifications</i>	87.50%	89.00%	92.86%	74.55%		
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises] x100						
<b>Governance</b>						Performance in this area decreased 3-points in 2019/20 however this result remains in line with the Regional Centres group average.
<b>Satisfaction</b>						
<i>G5 - Satisfaction with council decisions</i>	56	54	53	50		
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]						
<b>Libraries</b>						This indicator now measures number of active library borrowers instead of number of active library members. This explains the slightly lower result for 2020. Social distancing restrictions and library closures due to COVID-19 has also impacted on our 2019/20 result.
<b>Participation</b>						
<i>LB4 - Active library borrowers in municipality</i>	12.93%	12.28%	11.33%	11.09%		
[The sum of the number of active library borrowers in the last 3 financial years / The sum of the population in the last 3 financial years] x100						
<b>Maternal and Child Health (MCH)</b>						Reduced overall participation is due to COVID-19 service adaptations as directed by the Department of Health and Human Services (DHHS). Closer analysis of the data indicates reduced participation is confined to older babies and children which aligns with DHHS directives regarding essential service delivery.
<b>Participation</b>						
<i>MC4 -Participation in the MCH service</i>	77.61%	79.90%	81.17%	73.05%		
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100						

<b>Participation</b>					
<i>MC5 - Participation in the MCH service by Aboriginal children</i>	55.53%	58.96%	67.53%	68.94%	
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100					
<b>Roads</b>					
<b>Satisfaction</b>					
<i>R5 - Satisfaction with sealed local roads</i>	56	57	57	55	
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
<b>Statutory Planning</b>					
<b>Decision making</b>					
<i>SP4 - Council planning decisions upheld at VCAT</i>	85.71%	75.00%	83.33%	85.71%	Council had 14 permit applications determined at VCAT. Council's decision was set aside by VCAT for 2 of these applications.
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					
<b>Waste Collection</b>					
<b>Waste diversion</b>					
<i>WC5 - Kerbside collection waste diverted from landfill</i>	32.90%	32.25%	30.37%	17.83%	Diversion rates have reduced due to the closure of Council's recycling processor for a period of 3 months and a drop in community participation as a result of this closure. Diversion rates are expected to increase significantly with the introduction of a food and organics collection service in July 2020.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

## Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library borrower" means a borrower of a library who has borrowed a book or other resource from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

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

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

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

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

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

"population" means the resident population estimated by council

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

## Financial Performance Indicators

For the year ended 30 June 2020

Dimension/ indicator/ measure	Results			Forecasts					Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
<b>Efficiency</b>									
<b>Expenditure level</b>									
E2 - Expenses per property assessment	\$3,706.31	\$3,744.79	\$3,667.96	\$3,598.33	\$3,982.08	\$3,970.33	\$4,038.87	\$4,118.66	1.
[Total expenses / Number of property assessments]									
E4 - Average rate per property assessment	New in 2020	New in 2020	New in 2020	\$2,092.95	\$2,174.52	\$2,227.59	\$2,266.61	\$2,306.26	
[General rates and Municipal charges / Number of property assessments]									

<b>Liquidity</b>									
<b>Working capital</b>									
<i>L1 - Current assets compared to current liabilities</i>	267.42%	425.98%	507.85%	418.25%	466.84%	359.86%	395.13%	402.86%	2.
[Current assets / Current liabilities] x100									
<b>Unrestricted cash</b>									
<i>L2 - Unrestricted cash compared to current liabilities</i>	113.16%	257.91%	392.97%	337.52%	347.12%	254.15%	277.58%	283.41%	3.
[Unrestricted cash / Current liabilities] x100									
<b>Obligations</b>									
<b>Loans and borrowings</b>									
<i>O2- Loans and borrowings compared to rates</i>	32.92%	30.86%	28.34%	25.75%	33.05%	27.41%	24.57%	22.40%	4.
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>O3 - Loans and borrowings repayments compared to rates</i>	7.11%	1.74%	2.62%	2.95%	3.45%	6.25%	3.56%	2.84%	5.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									

<b>Indebtedness</b>									
<i>O4 - Non-current liabilities compared to own source revenue</i>	43.27%	47.10%	51.98%	52.98%	57.75%	50.88%	50.88%	49.85%	6.
[Non-current liabilities / Own source revenue] x100									
<b>Asset renewal and upgrade</b>									
<i>O5 -Asset renewal and upgrade compared to depreciation</i>	New in 2020	New in 2020	New in 2020	108.43%	122.60%	133.83%	103.13%	102.57%	7.
[Asset renewal and asset upgrade expense/ Asset depreciation] x100									
<b>Operating position</b>									
<b>Adjusted underlying result</b>									
<i>OP1 - Adjusted underlying surplus (or deficit)</i>	10.84%	11.44%	6.61%	10.23%	1.89%	2.45%	0.44%	-0.04%	8.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100									

<b>Stability</b>									
<b>Rates concentration</b>									
<i>S1 - Rates compared to adjusted underlying revenue</i>	53.35%	54.10%	60.42%	60.90%	63.58%	64.79%	66.07%	66.19%	
[Rate revenue / Adjusted underlying revenue] x100									
<b>Rates effort</b>									
<i>S2 - Rates compared to property values</i>	0.81%	0.82%	0.76%	0.73%	0.73%	0.74%	0.76%	0.77%	9.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

#### Material Variation Comments

- E2 - Expenses per property assessment:** This trend has been reducing due to expenditure in prior years being influenced by being the auspice body for grant funding for Mildura Airport Pty Ltd (MAPL). Grant funding was received for the Airport Runway reconstruction project and then on paid by Council to MAPL. Future years are being influenced by being the auspice body for grant funding for Mildura Airport Pty Ltd (MAPL) for the construction of the Instrument Landing System.
- L1 - Current assets compared to current liabilities:** This result is influenced by forward payment of 50% of the financial assistance grant funding and the timing associated with financial completion of capital works projects, some of which are large scale and may span multiple financial years.
- L2 - Unrestricted cash compared to current liabilities:** This result is influenced by forward payment of 50% of the financial assistance grant funding.
- O2 - Loans and borrowings compared to rates:** Council is looking at borrowings to help fund initiatives from Mildura Future Ready.
- O3 - Loans and borrowings repayments compared to rates:** Council is looking at borrowings to help fund initiatives from Mildura Future Ready.
- O4 - Non-current liabilities compared to own source revenue:** This indicator includes borrowings as well as our landfill provision which is in line with our Rehabilitation and Aftercare Management Plan.



7. **O5 - Asset renewal and upgrade compared to depreciation:** Mildura Rural City Council aims to have a ratio of around 100% which means we are adequately maintaining our current asset base. This will vary over time and can be influenced by things such as external funding.
8. **OP1 - Adjusted underlying surplus (or deficit):** The underlying surplus is due to the forward payment of our financial assistance grant funding. Future years is trending breakeven results.
9. **S2 - Rates compared to property values:** Mildura Rural City Council will tend to have higher rates compared to property values due to inherent factors of our municipality such as population size, population density, population dispersion and remoteness from a major population centre.

## Retired Measures

Service/Dimension <i>indicator/measure</i>	Results				Material Variations
	2017	2018	2019	2020	
Animal Management				Retired in 2020	This measure was replaced by AM7 from 1 July 2019.
Health and safety					
AM4 - Animal management prosecutions [Number of successful animal management prosecutions]	1	0	0		
Efficiency				Retired in 2020	This measure was replaced by E4 from 1 July 2019.
Revenue level					
E1 - Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1554.70	\$1,917.78	\$1,914.97		
Obligations				Retired in 2020	This measure was replaced by O5 from 1 July 2019.
Asset renewal					
O1 - Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	80.69%	75.35%	73.92%		

## Definitions

"adjusted underlying revenue" means total income other than:

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

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

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

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

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

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

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

## Other Information

For the year ended 30 June 2020

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### 1. Basis of preparation

Council is required to prepare and include a Performance Statement within its Annual Report. The Performance Statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014.

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

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's Strategic Resource Plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the Performance Statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the Performance Statement are those adopted by Council in its Strategic Resource Plan on 29 July 2020 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council.

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## Certification of the Performance Statement

In my opinion, the accompanying Performance Statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.



*Mark McMillan*  
**Principal Accounting Officer**

**Date:** 12 October 2020  
*Mildura*

In our opinion, the accompanying Performance Statement of the *Mildura Rural City Council* for the year ended 30 June 2020 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this Performance Statement in its final form.



*Cr Simon Clemence*  
**Councillor**

**Date:** 12 October 2020  
*Mildura*



*Cr Min Poole*  
**Councillor**

**Date:** 12 October 2020  
*Mildura*



*Sarah Philpott*  
**Chief Executive Officer**

**Date:** 12 October 2020  
*Mildura*

## Independent Auditor's Report

### To the Councillors of Mildura Rural City Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Mildura Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2020</li> <li>• sustainable capacity indicators for the year ended 30 June 2020</li> <li>• service performance indicators for the year ended 30 June 2020</li> <li>• financial performance indicators for the year ended 30 June 2020</li> <li>• other information and</li> <li>• the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

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MELBOURNE  
22 October 2020



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*