

# Annual Report

2016 - 2017



Mildura Rural City Council

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# Part 1: Report of Operations

# Introduction

## Welcome to the Report of Operations 2016-2017

As a Council, we are committed to transparent reporting and accountability to our community and the Report of Operations 2016–2017 is the primary means of advising the Mildura Rural City Council community about our operations and performance during the financial year.

## Snapshot of Council

Demographic profile\*:

- Land area: 22,330 km<sup>2</sup>
- Major townships: Mildura, Irymple, Red Cliffs and Merbein
- Other rural townships: Ouyen, Meringur, Werrimull, Cullulleraine, Cardross, Nangiloc, Colignan, Murrayville, Cowangie, Underbool and Walpeup
- Estimated resident population: 53,326
- Estimated Mildura population: 32,738
- Estimated Indigenous population: 2,073
- The majority of the Mildura region's population were born in Australia (83.5 per cent), 1.2 per cent were born in England, 1.0 per cent in New Zealand and 0.7 per cent in India.
- 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 2016 update to Australian Bureau of Statistics data.

Purpose:

- Vision – To be the most liveable, people friendly community in Australia.
- Purpose - To promote the social, economic, environmental, and cultural wellbeing, now and for the future through effective governance and community engagement.
- 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 community 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 - By managing its operations in a sustainable manner, Council will deliver value for all stakeholders in an ethically, socially and environmentally responsible manner.
9. Sustainable Results - To deliver sustainable results, Council must have a culture that promotes accountability through all levels of the organisation.

Fast facts:

- 110 groups assisted by annual community grants
- 1,030 kilometres of local sealed roads maintained
- 4,060 kilometres of unsealed local roads maintained
- 18 kilometres drainage pipes cleaned and assessed for condition
- 28,765 rateable properties
- 1,336 applications received for 103 recruitment processes
- 63,811 hours of ageing and disability care support provided
- 475,607 attendees at aquatic facilities
- 321,014 library items borrowed
- 68,008 calls answered by the customer service call centre
- 653 planning applications received
- 1,091 building permits issued totalling \$135,967,200
- 25,258 garbage bins collected each week
- 25,258 recycling bins collected each fortnight
- 20 sports reserves maintained
- 25 school crossings supervised
- 218,254 aeroplane passengers

## Highlights of the Year

See section on Our Performance for more details.

### Strategic Objective 1: Community

We will create a safe and supportive place to live, where diversity and lifestyle opportunities are encouraged; and participating in arts, culture, sport and recreation enhances wellbeing.

Achievements:

- Adopted a new Alcohol Management Policy to guide decision making at licenced premises
- Adopted the Arts, Culture and Heritage Strategy 2016-2020
- Celebrated the annual Seniors Festival offering over 20 different activities, including a concert from much-loved Australian icon James Blundell
- Opened the Langtree Connection, a pedestrian connection linking Mildura's Central Business District to the Mildura Riverfront Precinct, to the public on 7 October 2016
- Held a White Ribbon walk and picnic for Council staff and members of the community to show support in the vital push to end violence against women
- Approved grant applications totalling \$70,099.58 to local community groups for funding through the Community Project Grant Program 2016-17 (August Round)
- Approved grant applications totalling \$72,349.46 to local sport and recreation groups for funding through the Recreation Grant Program 2016-17 (August Round)
- Officially unveiled a special war memorial at Mildura's Henderson Park on 8 December 2016 to honour Aboriginal and Torres Strait Islander diggers involved in conflicts for Australia during World War I and World War II
- Together with the Sunraysia Animal Rehousing Group, introduced an innovative new project aimed at calming the Mildura Animal Shelter's animals, particularly dogs, involving playing talking books to the animals through the facility's speaker system
- As part of the biggest redevelopment of the Mildura Recreation Reserve since its inception, completed a \$1.4 million suite of works that included new netball courts, change rooms and Number 1 Oval playing surface ahead of the start of the 2017 Sunraysia Football Netball League season
- Celebrated the achievements of the more than 20 young people nominated for the 2017 Mildura Rural City Council Youth Awards at an awards ceremony on 19 April 2017
- Launched a new system enabling from 1 May 2017 parents or guardians looking to enrol their children in one of six local kindergartens or pre-kindergartens next year to do so through a simple, central enrolment process co-ordinated by Mildura Rural City Council
- Together with the YMCA, announced six Mildura representatives for this year's YMCA Youth Parliament initiative, which is designed to give young people aged 16 to 25 a chance to be heard at the highest levels of state government on issues that are important to our region
- Completed one of the most anticipated components of the landmark Mildura Riverfront Redevelopment – the new Mildura Rowing Club and riverfront café – in May 2017

- Together with Mildura Pride and members of the community, marked International Day Against Homophobia, Biphobia and Transphobia (IDAHBT) with a Rainbow Flag-raising event on 17 May 2017
- As part of Council's Community Project Grants Program, on 25 January 2017 presented 15 local non-profit organisations with more than \$70,000 in funding for innovative local projects or enhancements to local services that target recognised high-need groups
- Announced Australia Day Awards recipients at the Nowingi Place: Graham Wyatt - Mildura's Citizen of the Year; Giovanni Barbera - Young Citizen of the Year; Sunraysia Gang Show as Mildura's Community Event of the Year
- Officially unveiled the George Chaffey-designed Tangye 'Billabong' engine and a mural depicting the infamous 1956 floods on 29 May 2017 ahead of Mildura Day
- To ensure their sustainability into the future, agreed to implement changes over the coming 12 to 15 months, such as the establishment of weekly pop-up library services, to the way library services are delivered in some areas of the district
- As part of Council's Grant Program, presented fifty-six local event organisers and arts, community, recreation and sporting groups with more than half a million dollars on 27 June 2017 to allow them to deliver events and projects that benefit the community
- Together with the Aboriginal Action Committee, hosted a community barbecue on 1 June 2017 to mark this year's National Reconciliation Week, an annual initiative that builds on the respectful relationships between Aboriginal and Torres Strait Islanders and other Australians
- In an effort to increase process efficiencies, approved a change in the Events Funding and Support Grants from two grant rounds per year to one
- As a part of its Diamond Jubilee celebrations, Mildura Arts Centre presented its second *In Conversation* event on 10 July; this one featuring discussion about the new film *The Wolf in Australian Art* based on the life and art of Danila Vassilieff (1897–1958)
- Hosted a joint performance and master class at the Mildura Arts Centre from international pianist, David Fung, and Melbourne Chamber Orchestra during August 2016
- At the Mildura Arts Centre, from 16 February to 30 April 2017, hosted the National Portrait Gallery's *National Photographic Portrait Prize 2016*, promoting the very best in contemporary photographic portraiture by both professional and aspiring Australian photographers across the country

## **Strategic Objective 2: Environment**

We will initiate, develop and manage healthy, sustainable, natural and built environments.

Achievements:

- Ran a tree planting day at the Mildura South Wetlands on 31 July 2016 as part of National Tree Day celebrations
- Introduced a new weekly rubbish and fortnightly recycling service to residents in Nangiloc, Colignan and Iraak with the first rubbish collection occurring on Friday 2 September 2016

- Supported Sustainability Victoria's *I Love Leftovers* campaign by holding an event on Sunday 18 September 2016 at the Mildura Eco Village to help educate people on how to reduce food waste at home
- In partnership with Sustainability Victoria, ran a free household chemical collection service at the Mildura Landfill on 29 October 2016
- Committed to signing the Victorian Government collective climate change pledge program, TAKE2
- Approved a change to a zero charge for electronic waste at Mildura Landfill, which took effect in December 2016
- Approved grant applications totalling \$20,000 to local community groups for funding through the Environmental Project grant program 2016-17 (August Round)
- Seen as a major win for dryland farmers, approved Higher Mass Limit (HML) vehicles to use all sealed and the majority of unsealed roads in the municipality
- Funded from Council's Federal Government Roads to Recovery allocation, undertook major reconstruction works to the value of around \$1.6million at one of Mildura's busiest CBD streets, Madden Avenue (between Ninth and Tenth Streets), which included resurfacing around 300 metres of road, installing roundabouts at both intersections, installing new kerb and channelling, and replacing damaged stormwater drainage
- Cleaned up and beautified the entrance to Mildura from Buronga between the Sturt Highway and Seventh Street with the planting of 40 established Lemon Scented Gums and installation of two new garden beds at either end of Cureton Avenue
- Officially opened the \$298,000 Murrayville Transfer Station on 30 March 2017, which was jointly funded by Mildura Rural City Council (\$150,000) and Sustainability Victoria (\$148,000) through the Regional and Rural Landfill Support Program
- As part of a broader push to be more environmentally sustainable, supported the Earth Hour initiative for the seventh year by turning off all non-essential lights at our highest energy-consuming buildings – the Alfred Deakin Centre and the Deakin Avenue and Madden Avenue Service Centres – between 8.30pm and 9.30pm on 25 March 2017
- Hosted a Mildura Eco Village Open Day on 26 March 2017 enabling residents to learn more about the latest sustainable living and innovative environmental projects under way in our region
- To help Sunraysia residents do their part to protect and enhance our natural areas, released a series of easy-to-read flyers covering three topics: native vegetation clearing on rural roadsides, native vegetation clearing on private land, and information on the Bushland Watch program
- Approved an updated version of the Commercial Waste Grants Policy
- As part of the planned landscaping works outlined in the Deakin Avenue Master Plan, commenced work in May 2017 to establish two new gardens as well as the installation of a new subsurface irrigation system in the median strip in Deakin Avenue between Thirteenth and Hunter Streets
- In June 2017, approved for public comment the release of the Draft Energy Management Plan 2017-2021, which provides a framework for the management of

electricity, gas and fuel consumption and targets for key Council areas: buildings and facilities; street/public lighting and fleet

- To improve safety and make the area a more appealing public space, in late June 2017, commenced a major upgrade to the central median strip of a section of Mildura's Deakin Avenue, which will include the replacement of 25 sugar gums in the median deemed a risk to public safety and the establishment of new garden beds, an underground irrigation system, outdoor furniture, lighting and a central footpath

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

**We will create growth and prosperity.**

Achievements:

- Adopted the Mildura Tourism, Mildura Development Corporation and the Mildura City Heart annual business plans 2016-2017
- Adopted the Mildura City Heart Incorporated's Strategic Plan 2016-2019
- Approved grant applications totalling \$155,491 for funding to local event organisers through the Events Funding and Support grant program 2016-17 (August Round)
- Together with a transition team comprised of representatives from Mildura Tourism and Mildura Development Corporation, facilitated the transition of the functions of Mildura Tourism and Mildura Development Corporation into a new single entity, Mildura Regional Development, responsible for ensuring the future growth and prosperity of the region
- In February 2017, announced Paul Gibbens, Brett Millington, Judith Damiani, Maria Carrazza, Geoff Dea and Geoff Thomson as directors of Mildura Regional Development
- Approved the Mildura Airport Pty Ltd Annual Business Plan 2017-2018, which includes the Mildura Airport's objectives and budget for the year ending 30 June 2018
- Mildura Airport Pty Ltd installed automatic doors in the arrivals and departure areas to improve passenger access within the Mildura Airport terminal
- Commencing with the 19 August 2017 event, endorsed Mildura City Heart's application to host the iconic Great Australian Vanilla Slice Triumph event, which provides economic and tourism benefits annually, in Mildura's CBD until 2019
- Together with Mildura Regional Development, represented Mildura Rural City Council at the South and Southeast Asia Commodity Expo and Investment Fair in China in 2017
- Thanks to a partnership with Mildura Regional Development, Murray Regional Tourism Board and Murray River Salt, generated more than \$200,000 in direct economic benefits for the region while a 90 member film crew visited Mildura for two nights, spending money on accommodation, hospitality and support businesses associated with filming an episode of the smash hit MasterChef Australia in Mildura, which aired on 20 June 2017

## **Strategic Objective 4: Council**

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

Achievements:

- Approved an updated Councillor Support and Expenses Policy
- On 10 November 2016, officially swore in as Mildura Rural City Councillors the nine successful candidates from the local government elections
- Following a severe storm event in November 2016, together with the Victorian Council of Churches, ran an outreach program to ensure the more than 780 people who registered for assistance at Council's Relief Centre with issues such as food supplies, temporary accommodation, counselling, and advice and referrals for financial assistance and insurance, received the help they needed
- Teamed with professionals to offer expert advice sessions in May 2017 in the areas of finance, law and dispute resolution to help individuals, businesses and farmers in their recovery from the 11 November storms
- Along with the Aboriginal Action Committee, Mildura Rural City Council was named a finalist in this year's Community Helping Achieve Reconciliation Together (HART) Awards, which recognise local governments and community organisations that advance reconciliation in Victoria
- Approved an updated version of the Gifts Policy
- Adopted an updated version of the Community Plan Support Funding Policy
- Following a period of public exhibition, adopted the Community and Council Plan 2017 to 2021
- On 28 June 2017, celebrated 20 years of the Mildura Library, Visitor Information Centre, café and Benetook Room having been centrally located under the one roof in Deakin Avenue and opened to the public

## 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

### The Future

- Work within the Victorian Government Rate Capping Framework
- Develop a long term strategy for the management of waste
- Continue to roll out the Organisational Sustainability Reviews
- Asset renewal
- Increase community awareness of our services
- Reform of the *Local Government Act*
- Continued roll out of the Riverfront Redevelopment Project
- Ability to provide matching funding for major project development

# The Year in Review

## Mayor's Message

Mildura Rural City Council's 2016-2017 Annual Report details Council's achievement of the 2013 to 2017 Council Plan strategic objectives for the 2016-2017 financial year.

The role of a Council includes:

- Acting as a representative government by taking into account the diverse needs of the local community in decision making
- Providing leadership by establishing strategic objectives and monitoring their achievement
- Maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Acting as a responsible partner in government by taking into account the needs of other communities
- Fostering community cohesion and encouraging active participation in civic life.

## Highlights

It's been satisfying to see the completion, or major milestones reached, on a number of significant projects over the past four years that are vital to the future of our region. The first stage of our Riverfront Redevelopment has been completed, including the long-awaited Langtree Avenue connection to our riverfront and the recent opening of the new Mildura Rowing Club/riverfront café. Both projects, I believe, have exceeded expectations and have already proven a major drawcard for locals and visitors alike. We've also seen the completion of the final business case and investment prospectus for the Mildura Motorsports and Community Precinct and the draft business case for the Mildura South Regional Sporting Precinct completed - important steps in progressing these two major projects. In June this year, we officially marked the completion of a \$1.4 million redevelopment of the Mildura Recreation Reserve, the most comprehensive upgrade to this facility since its inception. It's also been pleasing to see progress in our outlying areas, such as the \$280,000 Murrayville Transfer Station, which was completed in March this year.

## Advocacy and engagement

In developing our 2017 to 2021 Community and Council Plan over the past 12 months, we engaged the community on an extensive range of issues, triggering one of our strongest responses in recent years. It was fantastic to see this level of interest and engagement from our community, including residents in our outlying townships. Issues highlighted by residents included ensuring sustainable development within our region, crime prevention – including addressing drug and alcohol issues, advocating for the return of passenger rail services and the introduction of green/organic waste services. We have taken this feedback and incorporated it into our new Community and Council Plan, and where needed, will advocate for these projects and issues to ensure better outcomes for our community.

**Thankyou**

I would like to thank our Councillors, including our four new Councillors, for their commitment to this community over the past 12 months. I would also like to thank our residents, business owners, community groups and Council officers for their support and feedback over the past year.

Cr Glenn Milne  
Mayor

## CEO's Message

On behalf of Mildura Rural City Council, it is my great pleasure to present our Annual Report for the year 2016–2017. 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 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

The 2016-2017 financial year has been a great year with many significant achievements that we, as a community, should be very proud of, particularly our younger residents. We celebrated the achievements of more than 20 young people who were nominated for our 2017 Youth Awards in April this year. Together with the YMCA, we also supported six Mildura residents aged 16 to 25, who represented our region with distinction at this year's YMCA Youth Parliament, showcasing the future potential of our district at the highest levels of state government.

As an organisation, we've continued to build on our commitment to stopping violence against women through our strong support for White Ribbon Australia. This has included the establishment of a White Ribbon Events Committee and numerous activities to raise awareness about White Ribbon. We remain Sunraysia's only White Ribbon-accredited workplace and encourage other workplaces to join us in taking active steps to prevent and respond to violence against women.

We've also continued to work towards stronger relationships and recognition of our Aboriginal and Torres Strait Islander communities. We've unveiled in Henderson Park one of the few war memorials in the country honouring Aboriginal and Torres Strait Islander diggers involved in conflicts for Australia during World War I and World War II, and will soon release our latest Reconciliation Action Plan.

We've taken significant steps to ensure our region's environmental sustainability, introducing a zero charge for electronic waste at Mildura Landfill, completing the \$298,000 Murrayville Transfer Station and releasing our Draft Energy Management Plan 2017-2021, which promises cuts to electricity usage of up to 25 per cent and cost savings of more than \$420,000 per year.

## Organisational Performance

At the end of June 2017, Council's financial position remains strong with more than \$700 million of community assets under Council's stewardship. Importantly, we are continuing our sustainability reviews to identify operational efficiencies, ensuring everything we do is best practice, while providing the best value for our community.

Operating expenditure for 2016-2017 was influenced by the timing of payments for the Mildura Airport Runway Project, with expenditure being 3.93 per cent below the Annual Budget adopted in June 2016. Council's operating income was 4.16 per cent above the Annual Budget.

In 2016-2017, Council achieved a surplus of \$20.76 million, significantly higher than 2015-2016, which was mainly due to the forward payment of 50 per cent of the Victorian Grants Commission funding into the 2016-2017 year. Council's Long-term Financial Strategy projects we will continue to be able to provide a level of funding that will contribute to the refurbishment and replacement of community assets.

### **Thankyou**

I would like to take the opportunity to acknowledge the leadership of Councillors, local advisory, business and community groups, and all Mildura Rural City Council staff who have contributed to delivering our Council's vision and Council Plan.

A particular thank you to our Audit Committee, which is chaired by Karen Hensgen and supported by other independent members Frank Piscioneri and Paul Grigg, along with Council's Mayor and Deputy Mayor. This Committee performs a very important governance oversight role and meets regularly with the CEO and senior staff to review Council's financial reporting, internal control systems, risk management framework, sustainability progress and the internal and external audit functions.

Gerard José  
Chief Executive Officer

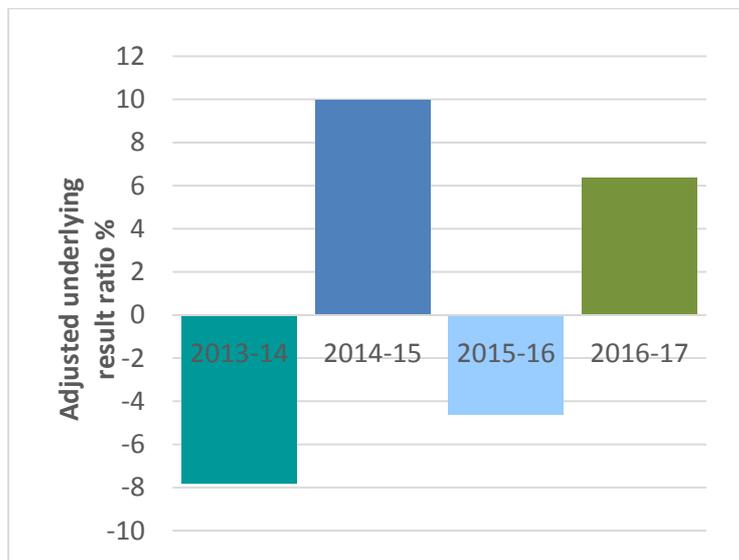
## Financial Summary

Our 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

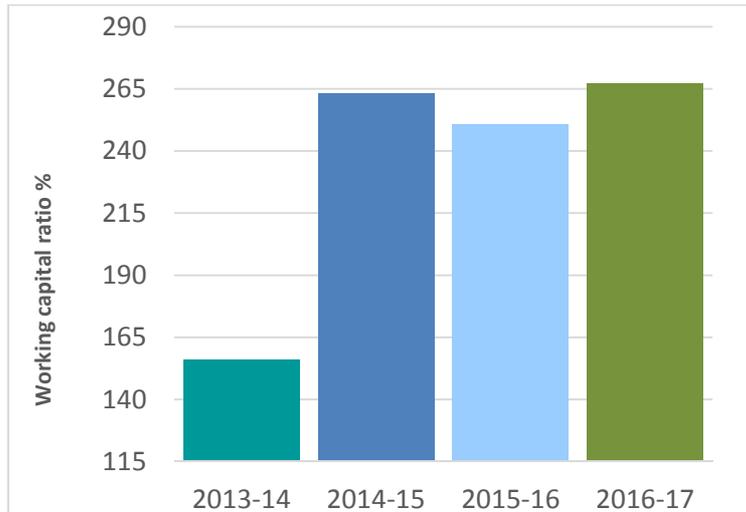
We achieved a surplus of \$20.76 million in 2016–2017. This is significantly higher than 2015–2016, which was a surplus of \$6.87 million. As per the Comprehensive Income Statement in the Financial Statements, the variance is due mainly to a timing difference with the forward payment of 50 per cent of the Victorian Grants Commission funding into the 2016-2017 year. In 2015-2016, we had the reverse with 50 per cent of the Victorian Grants Commission funding paid back into 2014-2015. Our adjusted underlying result, after removing non-recurrent capital grants, cash capital contributions, asset recognitions and non-monetary capital contributions, is a surplus of \$4.97 million or 6.38 per cent when compared to adjusted underlying revenue. Without the forward payment of the \$7.08 million Victorian Grants Commission funding, we would have a deficit of \$2.11 million. This is ahead of budget expectations for the 2016-2017 financial year which was to be a deficit of \$3.79 million. A deficit was forecast due to the Council contribution for the Mildura Airport Runway Project.

Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$709.94 million of community assets under our control, as well as allowing us to meet our interest bearing loans and borrowings obligations.



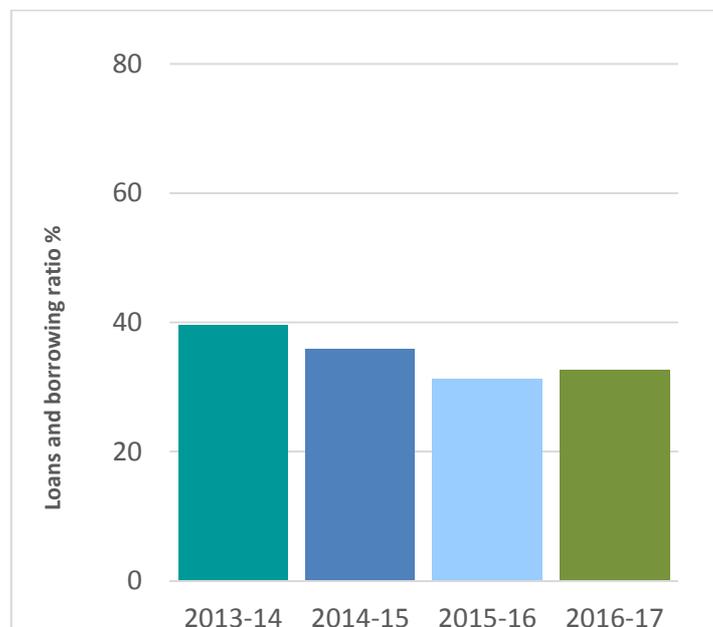
### Liquidity

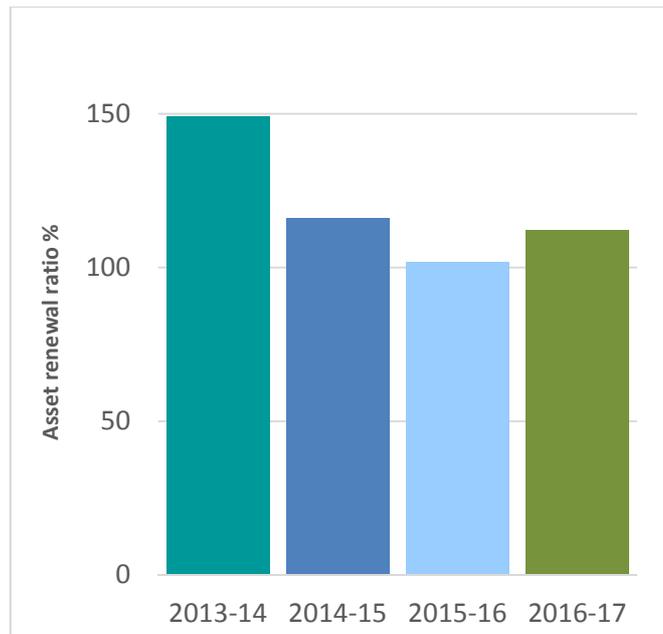
Cash and financial assets have increased by \$4.25 million from the prior year and this is due mainly to the forward payment of 50 per cent of the Victorian Grants Commission funding into the 2016-2017 year. The working capital ratio, which assesses our ability to meet current commitments is calculated by measuring our current assets as a percentage of current liabilities. Our result of 267.42 per cent is an indicator of a satisfactory financial position and is well above the expected target band of 120 per cent to 200 per cent.



### Obligations

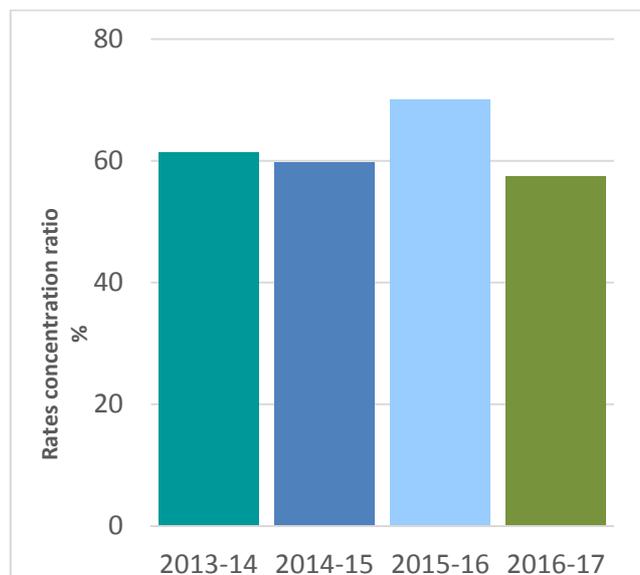
We aim to ensure we are able to maintain our infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. We invested \$26.85 million in capital works during the 2016-2017 year. At the end of the 2016-2017 year, our debt ratio, which is measured by comparing interest bearing loans and borrowings to rate revenue, was 32.64 percent, which was within the expected target band of below 40 per cent. Our asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 111 per cent, which is ahead of the expected target band of 90 per cent to 110 per cent.





### 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 57.48 per cent for the 2016-2017 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 Victorian Grants Commission funding of \$7.08 million into 2016-2017. Without the forward payment, the rates concentration ratio would have been 61.33 per cent. 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 in the Council Plan 2013 to 2017, a memorandum of understanding (MoU) has been established with funded local entity, Mildura City Heart Inc. In addition, in July 2016, Council resolved to establish a new single entity economic development and tourism model, which saw funded local entities Mildura Development Corporation and Mildura Tourism wound up and a new entity, Mildura Regional Development, established. Memorandums of understanding for Mildura Tourism and Mildura Development Corporation continued to operate during the transition phase and as a new service agreement between Mildura Rural City Council and funded entity Mildura Regional Development was established.

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 Council Plan 2013 to 2017 and the associated Budget 2016–2017, and are reported upon 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 Council Plan is measured by a set of performance indicators and measures. We also have a wide range of responsibilities under Victorian and Australian legislations.

### Economic Factors

We have been and still are faced with a financial challenge following the freezing of the indexation of Federal Assistance Grants (FAGs). 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 the decision to freeze indexation for three years will significantly reduce our revenue from this source into the future. Freezing is through to 2016-2017 and when resumed will be at 2013-2014 levels.

The Victorian Government also has introduced a cap on rate increases from 2016-2017. The cap for 2016-2017 was set at 2.5 per cent, which is based on the state-wide CPI forecast for the 2016-2017 year.

### **Major Capital Works**

During 2016-2017, major capital works included the following:

#### ***Riverfront Redevelopment Project***

Key achievements for the Riverfront Redevelopment Project (Stage 1) in 2016-2017 are outlined below:

- Practical completion of the Langtree Connection contract was awarded on 29 September 2016. This significant works package now connects the Mildura CBD to the Mildura Riverfront through a series of walkways, ramps, staircases, and a pedestrian rail crossing. The development includes landscaping, pergolas, lighting, and Welcome to Country artwork components, which provide pedestrians an aesthetically appealing entry to the Riverfront precinct.
- Practical completion of the redevelopment of the Mildura Rowing Club building was awarded on 4 May 2017. This redeveloped two-storey building now incorporates a fully operational café on its ground floor—Café 1909—and redeveloped storage area and club rooms for the Mildura Rowing Club. Café 1909, which is operated by a tenant, provides indoor and alfresco dining to patrons, and has been well received by the community.
- The contract for the improvement of the crib wall escarpment was awarded in December 2016. These works are scheduled for completion in later 2017, and include new retaining walls, pedestrian pathways, lighting and landscaping.

#### ***Mildura Recreation Reserve netball courts and car park***

This project was undertaken in an effort to upgrade ageing infrastructure and also improve the amenity of the reserve.

The replacement of a single netball court with a double netball court and construction of a new single netball court have increased the capacity of the site.

The project also saw the demolition of the Youth Centre building and the construction of new car parking facility.

#### ***Road upgrade and widening to Nineteenth Street between Benetook Avenue and Koorlong Avenue Extension and Dairtnunk Avenue and Koorlong Avenue Extension***

Another major construction project undertaken during the 2016-2017 financial year was the reconstruction and widening of Nineteenth Street between Benetook Avenue and the Koorlong Avenue Extension and Dairtnunk Avenue and Koorlong Avenue Extension.

Works involved significant pavement stabilisation and widening and asphaltting. There was also significant underground and swale drainage constructed to cater for road and property stormwater runoff.

### ***Reconstruction of Madden Avenue between Ninth and Tenth streets including Madden Avenue and Tenth Street Intersection***

One of the most significant reconstruction projects undertaken during the 2016-2017 financial year was the reconstruction of Madden Avenue between Ninth and Tenth streets. This included the reconstruction of the intersections at Madden Avenue and Ninth Street, and Madden Avenue and Tenth Street, which saw the construction of a roundabout at each of these two intersections.

Works involved significant pavement stabilisation and widening, asphaltting and kerb and channel works.

There was also significant drainage works undertaken, including new pipes and pits constructed to cater for road and property stormwater runoff.

Works were conducted in conjunction with the Lower Murray Water alignment and upgrade of the Mildura RSL frontage and Powercor utility upgrades.

### ***Seventh Street drainage works***

Major stormwater outfall from the Etiwanda Wetlands to Seventh Street was constructed. Further stages will be required to complete this project in future financial years.

### ***Etiwanda Spurline***

Approximately one kilometre of pipe length of various sizes ranging from 900mm to 1,800mm was laid as part of Stage 2 of the Etiwanda Spurline Project. In future stages, approximately 250m of 1,350mm, 300m of 900mm and 350m of 825mm pipes will be laid.

### ***Pipe cleaning, relining and replacement***

In the Irymple and Mildura areas, 1,300m length of pipes was cleaned and 650m length of various sizes of pipes were relined. Approximately 500m length of various sized pipe was also replaced in the Irymple, Mildura and Merbein areas.

### **Major Changes**

In 2016–2017, we made the following major changes:

- Streamlined the Aged & Disability Services structure to create three teams of Community Support Staff and combined the Intake and Administration functions to form an administration team
- Created a Building & Property Services Unit in the Development Department's Asset Services Branch. At the same time, renamed the Building & Environmental Services Branch the Parks & Waste Services Branch
- Implemented Early years kindergarten central enrolment
- Commenced Jobs Victoria Employment Network (JVEN) Program
- Successfully implemented Books on the Fly (May 2016) – swap books at the Mildura Airport – approximately 1,500 books provided
- Installed new RFID equipment in the Mildura Library, such as book chutes that check-in items themselves.

## **Major Achievements**

- Madden Avenue upgrade and roundabout additions
- 4,000km of unsealed roads graded
- Storm recovery works
- Flood preparation and recovery works
- Murrayville Transfer Station
- Enhanced Mosquito Management Program
- Development of business plan and investment prospectus for Mildura Motor Sports Precinct
- Development of business case for Mildura South Sporting Precinct
- Establishment of Mildura Regional Development
- Development of new Community and Council Plan
- Development of the second Reconciliation Action Plan (RAP) to follow up and build on the achievements of the first RAP. The Aboriginal War memorial project was runner up in the Local Government Hart awards.
- Completion of the community conversations phase of the Hands Up Mallee and Collective Impact project
- Accreditation of eSmart Libraries - a cyber safety framework designed to fully equip libraries, staff and library users with the skills they need for smart, safe and responsible use of digital technology
- Finalist in the Outstanding Inclusive Education Category of the 2016 Victorian Government Schools Excellence Awards
- Innovative Process Community category nominee in the 2016 ANZ Sunraysia Daily Mildura Innovation Awards.

# 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 53,326, which includes 2,073 Indigenous 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 218,254 passenger movements each year to Melbourne, Sydney and Adelaide.

*\* Source: Figures based on 2016 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 2013 to 2017.



### **Cr Glenn Milne – Mayor**

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

Portfolio: Governance and Corporate Planning

Cr Glenn Milne is serving his fourth consecutive term on Mildura Rural City Council. It is also the seventh time he has been elected 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 always maintained a strong interest in horticulture. He has also been employed as a press photographer, worked in community development and welfare. The father of eight, including two foster children, is both a Board and life member of the Mallee Accommodation and Support Program and serves on the Boards of Sunraysia Residential Services and Mildura Chaplaincy Committee. He is also an Ambassador for Bully Zero.



### **Cr Jason Modica, Deputy Mayor**

Term: 2016-2020

Portfolio: Arts and Culture

Cr Jason Modica joins 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. With particular interests in social and regional economic development, service access and social justice, Cr Modica is keen to help shape our community's future. He hopes his role as a Councillor will enable him to advocate for growth through strategic planning and development that will bring a renewed and stronger region.



**Cr Greg Brown**

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

Portfolio: Infrastructure and Transport

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 60 years. He has also managed his own small business for 50 years. Passionate about rural Victoria, Cr Brown is keen to ensure locals can access the services, infrastructure and facilities they need, regardless of where they live or work throughout the municipality.



**Cr Anthony Cirillo**

Term: 2016-2020

Portfolio: Environment and Sustainability

Cr Anthony Cirillo joins 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 and believe strongly in the wellbeing and future of our region, not only for his generation but future generations.



**Cr Simon Clemence**

Term: 2016-2020

Portfolio: Community Safety

Cr Simon Clemence joins 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 is passionate about the region and his previous work has had strong links to the betterment of the community through his work in Ice Education, Family Violence and improving Aboriginal youth training. With particular interests in the economic development and growth of our region, access to services and social justice, Cr Clemence is keen to support improved community safety, connectivity and employment opportunities.



**Cr Ali Cupper**

Terms: 2012-2016, 2016-2020

Portfolio: Community and Wellbeing Services

Cr Ali Cupper served on the previous Council. Cr Cupper is a lawyer, child protection practitioner, academic and founding Director of the Australian Advocacy and Politics Summer School. Cr Cupper grew up in Mildura, Irymple and Sunnycliffs and is passionate about the region she calls home. With particular interests in regional economic development, social inclusion and social justice, Cr Cupper is keen to help shape our community's future. Through her role as a Councillor, she hopes to work towards the evolution of local government, as it adapts and thrives in a modern, sophisticated and sustainable world.



**Cr Mark Eckel**

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

Portfolios: Economic Development and Tourism; Recreation and Sport

Cr Mark Eckel served on four previous Councils and remains committed to consulting with the region's residents, local businesses and industries, working to make Mildura a better place to live now and into the future. Cr Eckel is a White Ribbon Ambassador, and believes that violence is a cultural issue and needs to be addressed commencing with our youth. With wife Denise, they share six children, sixteen grandchildren and are great grandparents of two. 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 Min Poole**

Term: 2016-2020

Portfolio: Community Development

Cr Min Poole joins Council for the first time in 2016. A local Real Estate agent and volunteer in the community, Cr Poole has lived in Ouyen and Mildura. Cr Poole has particular interests in regional economic development and wants to work towards a vibrant, inclusive and progressive community for all. Cr Poole is committed to openly listening and learning about local needs, with a view to outcomes that will further achieve goals of positive social, economic and environmental growth of our region.



**Cr Max Thorburn**

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

Cr Max Thorburn served on two previous Councils. Cr Thorburn is an experienced broadcaster, sports commentator and journalist, again plans to achieve solid outcomes for residents living across the municipality. The father-of-four was educated at Upwey High School and has worked in commercial radio and television across Australia and overseas, including as Editor of the Mildura Independent Star for the past 25 years. Cr Thorburn is committed to improving quality of life for all, addressing local issues such as an off leash dog park, sports facilities, tourism, public transport, street scapes, tree-plantings and the positioning of nursing homes and retirement villages.

Outgoing councillors who held office in the preceding four-year term ending October 2016 are listed below:

- Cr Sharyon Peart  
Portfolio: Community Wellbeing and Services
- Cr John Arnold  
Portfolio: Economic Development and Tourism
- Cr Judi Harris  
Portfolio: Environmental Sustainability
- Cr Jill Joslyn  
Portfolio: Arts and Culture

# 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 Council Plan 2013 to 2017. 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**

Gerard José

Gerard joined Mildura Rural City Council as CEO in October 2014. Gerard has extensive experience working in the local government, community and not-for-profit sectors. Prior to joining Mildura Rural City Council, Gerard was CEO of Greater Taree City Council on the mid-north coast of New South Wales for seven years. Gerard's career in local government also includes time as Director of Health and Community Services at Ringwood and Heidelberg councils, Director of Community Services and Acting CEO at the Shire of Campaspe and Director of Community Services at the City of Knox. Gerard has also

worked for the Municipal Association of Victoria, Spastic Society of Victoria (now known as Scope) and the YMCA. He is a White Ribbon Ambassador and on the Chances for Children Board.

#### 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
- 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 seven 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 has commenced studying law. In addition, Chris is a White Ribbon ambassador.

Areas of responsibility:

- Organisational Development
- Human Resources
- Financial Services
- Information Systems
- Corporate Administration
- Risk and Emergency Management
- Internal audit.



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

Areas of responsibility:

- Engineering Services
- Asset Services

- Works and Infrastructure Services
- Development Services
- Building Services
- Parks Services
- Waste Management Services.



### **General Manager Community**

Martin Hawson

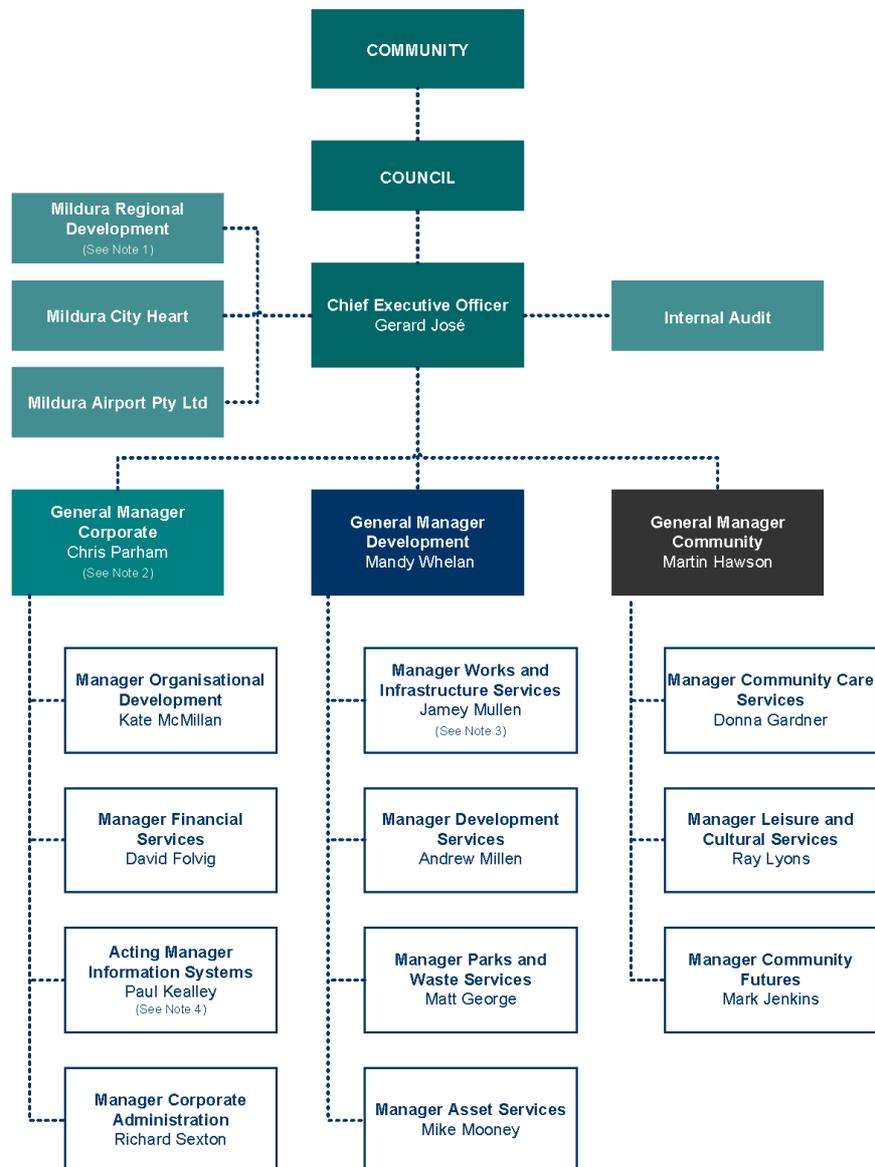
Martin Hawson has a broad and extensive background in community services leadership and management experience in local government.

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 has a Masters of Health Science (Administration).

Areas of responsibility:

- Leisure and Cultural Services
- Community Care Services
- Community Futures
- Community Planning
- Strategic Planning

The organisational structure of Council is shown below.



**Note:**

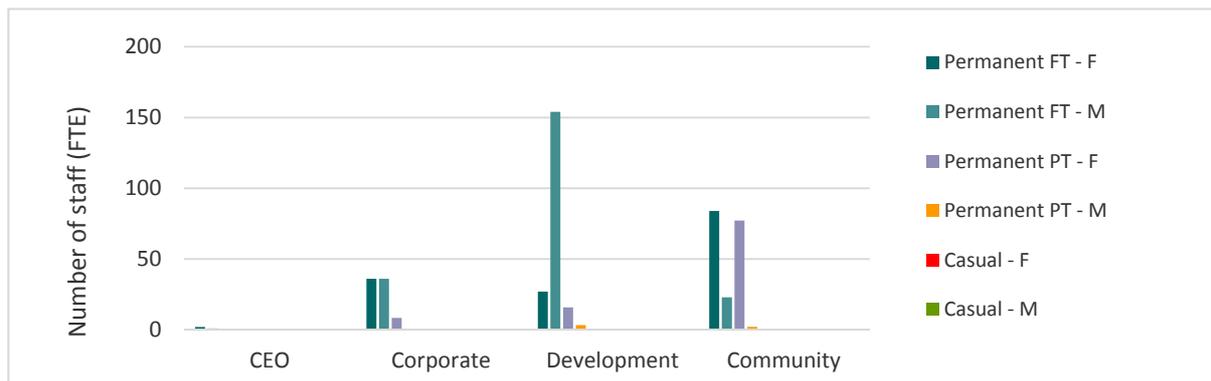
1. Council resolved in July 2016 to create a new single economic development and tourism entity, which was later formally named Mildura Regional Development.
2. Chris Parham acted as the General Manager Corporate until 27 September 2016 when he was permanently recruited to the role.
3. The role of Manager Works & Infrastructure Services was held by Geoff Gunn until his resignation and departure on 18 November 2016. Michael Vaughan, Infrastructure Services Coordinator, then acted in the Manager Works & Infrastructure Services role until Jamey Mullen's commencement on 15 May 2017.
4. Bruce Ryan, Information Systems Project Coordinator, followed by Paul Kealley, Information Systems Coordinator, have acted in the Manager Information Systems 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.

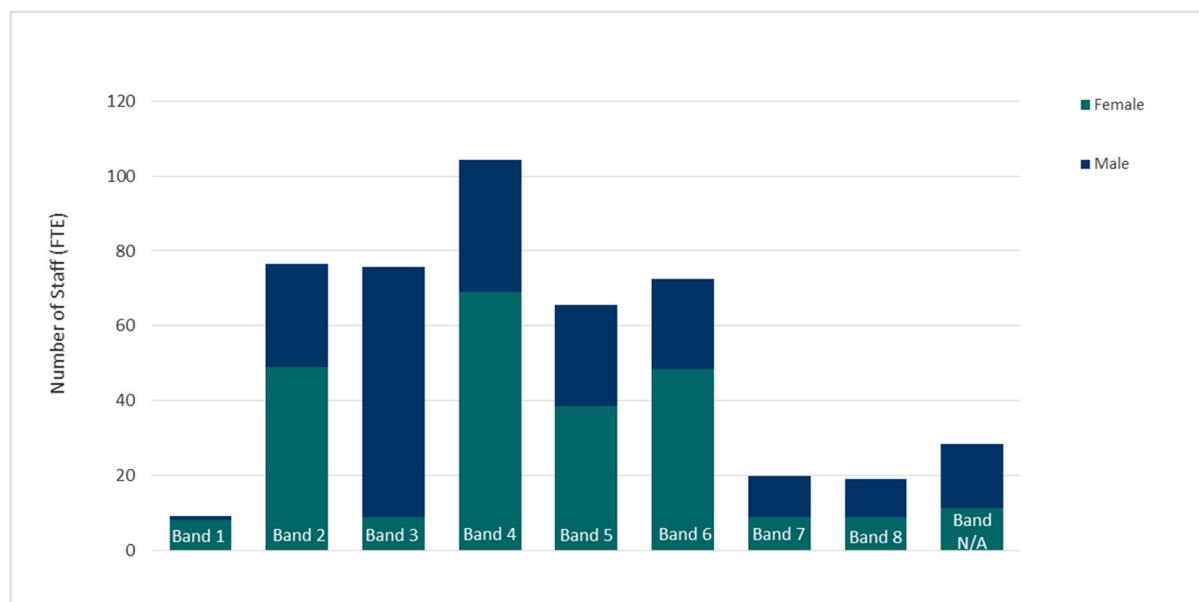
Employee type/gender	CEO FTE	Corporate FTE	Development FTE	Community FTE	Total FTE
Permanent FT - F	2	36	27	84	149
Permanent FT - M	1	36	154	23	214
Permanent PT - F	0	8.43	15.8	77.21	101.44
Permanent PT - M	0	0	3.28	2.11	5.39
Casual - F	0	0.05	0.34	0.87	1.26
Casual - M	0	0	0.08	0.13	0.21
<b>Total</b>	<b>3</b>	<b>80.48</b>	<b>200.50</b>	<b>187.32</b>	<b>471.30</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	8.07	1.26	9.33
Band 2	49.03	27.60	76.63
Band 3	9.05	66.70	75.75
Band 4	69.13	35.08	104.21
Band 5	38.68	27	65.68
Band 6	48.57	24	72.57
Band 7	8.84	10.95	19.79
Band 8	9	10	19
Band not applicable	11.34	17	28.34
<b>Total</b>	<b>251.71</b>	<b>219.59</b>	<b>471.30</b>



#### Overview of Senior Positions by Gender

Level	Male	Female
Executive Leadership	3	1
Management	8	3
Coordinator and Team Leader	36	38

## 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 designated 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 the program and the results for the year are:

- Indicator: Percentage of new employees receiving equal opportunity training within six months of commencement. Target: 100%, Result: 95%.
- Indicator: Number of contact officers per number of council employees. Target: 1:50, Result: 1:38.

The indicators are monitored on an ongoing basis by the Equal Employment Opportunity Committee, which 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 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
- Maintaining accreditation as a White Ribbon workplace under the White Ribbon Accreditation Program.

## Other Staff Matters

### **Training/Professional development**

We offer study assistance for staff undertaking relevant undergraduate or postgraduate studies. In the past year, 22 staff were successful in obtaining this form of support. We also provide a comprehensive corporate learning program that supports a broad range of staff development needs. This is developed in alignment with strategic priorities, as well as in response to needs identified through 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 twelve months, we have:

- Maintained the White Ribbon Accreditation status
- Continued our internal White Ribbon Accreditation Committee with the inclusion of new members to better represent all areas of council
- Created an 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
- Included material about the White Ribbon Program in our corporate induction program
- 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.

### **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 last 12 months, we have maintained a Health and Safety Management System. Branches have continued to review and document their Safe Work Procedures and Safe Work Method Statements to ensure employees are working in a safe environment.

Council has agreed to join the Municipal Association of Victoria self-insurance scheme for Workcover and has participated in a Worksafe audit of our occupational health and safety systems and processes. All policies and procedures are being reviewed to bring them in line with the national audit tool for self-insurance.

### **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.

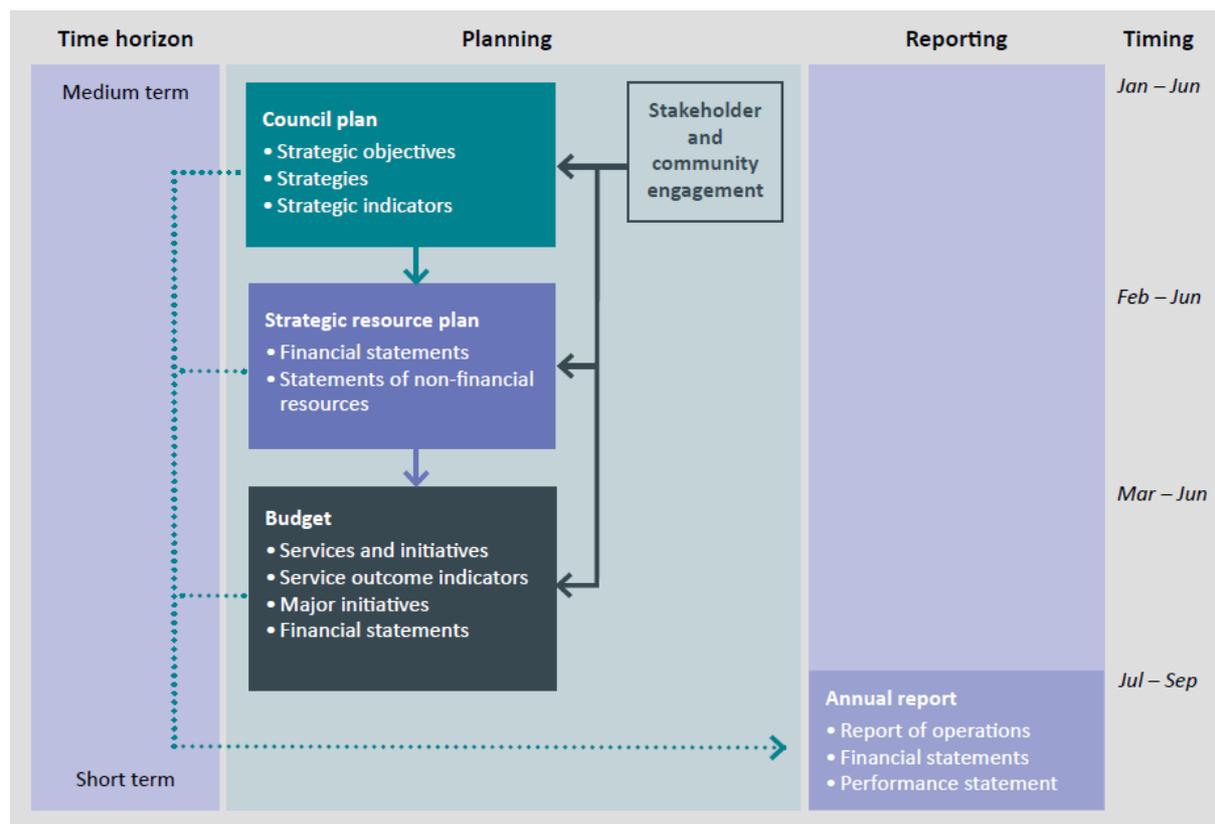
# Our Performance

## 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.



## Council Plan

The Council Plan 2013-2017 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 Council Plan.

<b>1. Community</b>		We will create a safe and supportive place to live, where diversity and lifestyle opportunities are encouraged, and participating in arts, culture, sport and recreation enhances wellbeing.
<b>2. Environment</b>		We will initiate, develop and manage healthy, sustainable, natural and built elements.
<b>3. Economy</b>		We will create growth and prosperity.
<b>4. Council</b>		We will manage resources effectively and efficiently to provide services that are relevant, of a high standard and respond to identified community needs.

## Performance

Council's performance for the 2016-2017 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2013-17 Council Plan. Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the 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 Objective 1: Community

### Strategic Indicators

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

#### KRA 1.1 Community Safety

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community perception of personal safety <sup>1</sup>	46%	49%	54%	47%
Childhood accidents <sup>2</sup>	155	155	155	155
Crimes against persons <sup>3</sup>	1.8	1.67	2.02	2.11
Crimes against property <sup>4</sup>	6.2	5.49	5.71	6.24
Road trauma <sup>5</sup>	0.3	0.35	0.2	0.34
Reported public safety incidents <sup>6</sup>	114	107	74	125
Number of animal attacks <sup>7</sup>	50	82	80	70
Community satisfaction with emergency management <sup>8</sup>	20%	27%	26%	26%

<sup>1</sup> % 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> Number of crimes against the person / Municipal Population (source: Social Indicators Report)

<sup>4</sup> Number of crimes against property / Municipal Population (source: Social Indicators Report)

<sup>5</sup> Rate of road trauma (injury/hospitalisation/fatality) as a proportion of the municipality for Mildura Rural City Council (source: VicRoads)

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

<sup>7</sup> Number of reported dog attacks to Council (source: Mildura Rural City Council CRM data)

<sup>8</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

## KRA 1.2 Community Development

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with support to people with a disability <sup>9</sup>	20%	21%	21%	23%
Community satisfaction with equitable access to facilities, services and activities <sup>10</sup>	30%	28%	32%	30%
Feeling part of the community <sup>11</sup>	-	-	-	-
Social support <sup>12</sup>	-	-	-	-
Volunteering <sup>13</sup>	-	-	-	-
Community satisfaction with opportunities for people to be involved in shaping their community <sup>14</sup>	32%	34%	26%	25%
Education participation rates <sup>15</sup>	66.2	66.2	66.2	66.2
Year 12 or equivalent completion rates <sup>16</sup>	15.3	15.3	15.3	15.3

<sup>9</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>10</sup> % of respondents who Agree – score of 6 or 7 out of 7, Ours is a community with equitable access to facilities, services and activities (source: Community Satisfaction Survey)

<sup>11</sup> Not being measured

<sup>12</sup> Not being measured

<sup>13</sup> Not being measured

<sup>14</sup> % of respondents who Agree – score of 6 or 7 out of 7, Ours is a community with opportunities for people to be involved in shaping their community (source: Community Satisfaction Survey)

<sup>15</sup> Attendance in an educational institution, prep to 24 years old (source: Census)

<sup>16</sup> Rate of 15-19 year olds completing Year 12 or equivalent on leaving school (source: Census)

## KRA 1.3 Community Health and Wellbeing

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Self-reported health <sup>17</sup>	50.4%	48.1%	48.1%	48.1%
Subjective well-being <sup>18</sup>	78.5	78.5	78.5	78.5
Life expectancy – Males <sup>19</sup>	77.5	77.5	77.5	77.5
Life expectancy – Females <sup>20</sup>	82.8	82.8	82.8	82.8
Adequate physical exercise <sup>21</sup>	60.1%	66.6%	66.6%	66.6%
Fruit consumption <sup>22</sup>	42.3%	39.9%	39.9%	40.9%
Vegetable consumption <sup>23</sup>	7.4%	5.9%	5.9%	5.9%
Obesity <sup>24</sup>	24.1%	21.1%	21.1%	21.1%
Smoking status <sup>25</sup>	18.2%	16.2%	16.2%	16.2%
Risky alcohol consumption <sup>26</sup>	15.4%	14.3%	14.3%	14.3%
Psychological distress <sup>27</sup>	12.5%	12.7%	12.7%	12.7%
Prevalence of Type 2 Diabetes <sup>28</sup>	4.9	5.3	5.3	5.3
Birth weight <sup>29</sup>	6.5%	6.5%	6.5%	6.5%
Communicable diseases <sup>30</sup>	245	327	235	264
Family violence <sup>31</sup>	1,990	1,990	2,568	2,568

<sup>17</sup> People Self-Reporting Health as Excellent or Very Good: expressed as a percentage of the adult population (source: Community Indicators Victoria)

<sup>18</sup> Australian Unity Personal Wellbeing Index (source: Victorian Population Health Survey)

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

<sup>20</sup> Life Expectancy at Birth (source: Social Indicators Report)

<sup>21</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>22</sup> Percentage of people meeting the recommended consumption of two serves of fruit per day (source: Victorian Population Health Survey)

<sup>23</sup> Percentage of the adult population consuming the recommended intake of three serves of vegetables per day (source: Victorian Population Health Survey)

<sup>24</sup> Percentage of people who are obese according to a Body Mass Index (BMI) of 30 or greater (source: Victorian Population Health Survey)

<sup>25</sup> Percentage of people who are current smokers (source: Victorian Population Health Survey)

<sup>26</sup> Percentage of people drinking weekly at levels above short-term risk of alcohol consumption (source: Victorian Population Health Survey)

<sup>27</sup> 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)

- <sup>28</sup> *People Diagnosed with Type 2 Diabetes (source: Victorian Population Health Survey)*
- <sup>29</sup> *Percentage of babies born weighing less than 2,500 grams (source: Social Indicators Report)*
- <sup>30</sup> *Notified cases of communicable diseases over past 12 months (source: Department of Human Services Infectious Diseases Epidemiology & Surveillance)*
- <sup>31</sup> *Rate of family incident reports per 100,000 population (source: Victoria Police)*

## KRA 1.4 Community Services

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Birth weight <sup>32</sup>	6.5%	6.5%	6.5%	6.5%
Maternal and child health visits <sup>33</sup>	92%	92%	100%	90%
Australian Early Development Index <sup>34</sup>	51.5%	51.9%	51.9%	51.9%
Kindergarten participation rates <sup>35</sup>	80.6%	93.8%	93.8%	99%
Youth engagement <sup>36</sup>	8.8%	8.8%	8.8%	8.8%
Incomplete education <sup>37</sup>	25.4%	25.4%	25.4%	25.4%
Community satisfaction with services to youth <sup>38</sup>	8%	14%	14%	16%
Community satisfaction with home care services <sup>39</sup>	27%	29%	27%	33%
Community satisfaction with support to people with a disability <sup>40</sup>	20%	21%	21%	23%

- <sup>32</sup> *Percentage of babies born weighing less than 2,500 grams (source: Social Indicators Report)*
- <sup>33</sup> *Number of enrolments / number of birth notifications (source: MRCC Xpedite Report)*
- <sup>34</sup> *The proportion of children on track in all five AEDI domains (source: Department of Education and Early Childhood Development)*
- <sup>35</sup> *(Source: Department of Education and Early Childhood Development)*
- <sup>36</sup> *Percentage of 15 to 19 year olds not in education, training or employment (source: Census)*
- <sup>37</sup> *Rate of 15-19 year olds leaving school before completing year 12 or equivalent (source: Census)*
- <sup>38</sup> *% favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)*
- <sup>39</sup> *% favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)*
- <sup>40</sup> *% favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)*

## KRA 1.5 Arts and Cultural Heritage

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with support to arts and cultural groups <sup>41</sup>	18%	21%	24%	25%
Art gallery visits <sup>42</sup>	22,790	25,513	25,370	24,950
Theatre attendance <sup>43</sup>	38,536	41,231	51,360	58,451
Theatre occupancy <sup>44</sup>	55.8%	41%	46%	53%
Community satisfaction with arts and cultural facilities <sup>45</sup>	30%	32%	34%	36%
Community satisfaction with arts and cultural programs <sup>46</sup>	24%	26%	38%	31%
Community satisfaction with accessibility to arts and cultural programs <sup>47</sup>	20%	22%	26%	29%
Community satisfaction with recognition of local history and cultural heritage <sup>48</sup>	24%	28%	23%	28%
Community satisfaction with recognition of Indigenous culture in arts and cultural experiences <sup>49</sup>	27%	24%	29%	27%
Community satisfaction with libraries <sup>50</sup>	53%	57%	61%	49%
Library usage <sup>51</sup>	17%	19%	18%	13%

<sup>41</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>42</sup> Number of visitors to the gallery (source: Mildura Arts Centre records)

<sup>43</sup> Number of people using the theatre (source: Mildura Arts Centre records)

<sup>44</sup> % of days of Mildura Arts Theatre is used or occupied (source: Mildura Arts Centre)

<sup>45</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>46</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>47</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>48</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>49</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>50</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>51</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)

## KRA 1.6 Recreation and Sport

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Level of participation in sport and recreation activities <sup>52</sup>	72%	74%	74%	77%
Community satisfaction with sporting services <sup>53</sup>	23%	30%	29%	31%
Community satisfaction with recreation facilities <sup>54</sup>	25%	29%	32%	33%
Community satisfaction with Council support to clubs <sup>55</sup>	22%	26%	28%	32%

<sup>52</sup> Percentage of respondents who participate one or more times per week in a sport or physical recreation activity (source: Community Satisfaction Survey)

<sup>53</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>54</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>55</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

## Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2016-2017 Budget.

Major Initiatives	Progress
Implement the Mildura Tracks & Trails Murray River Trail project Stage 2 from Mildura to Kings Billabong including construction of path and installation of associated infrastructure eg park benches, signage and bollards (\$0.155 million).	The project is 15% complete at the end of the year. The delay in completion is due to negotiations with government departments regarding land owner responsibilities and approvals.
Redevelopment of Mildura Recreation Reserve - including new netball courts, change rooms for females, No. 1 Oval resurfacing and conversion to raw water irrigation Stage 1 (\$0.533 million).	The project is 95% complete at the end of the year. Conversion to raw water irrigation to be completed in July 2017. This component was delayed to enable new turf to be established before possible interruptions to water supply.

## Services

The following statement provides information in relation to the services funded in the 2016-2017 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$000
<b>Aged and Disability Services</b>	This service provides a range of <b>home and community care</b> services for the aged and people with a disability including home care, personal care, respite care, home maintenance and planned activity groups.	1,742
		<u>2,319</u>
		577
<b>Community Health</b>	This service provides family oriented support services including universal and enhanced <b>maternal and child health</b> and immunisation.	649
		<u>880</u>
		231
<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	472
		<u>478</u>
		6
<b>Youth Services</b>	This service provides youth oriented services including education programs, personal development programs, and health and safety programs.	579
		<u>489</u>
		(90)
<b>Environmental Health</b>	This service protects the community's health and well-being by coordination of regulatory services of premises for food safety, accommodation, hair and beauty, skin penetration businesses, tobacco retailers and 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.	224
		<u>317</u>
		93

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Arts and Culture</b>	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 presentation of an entrepreneur program in both the visual and performing arts through funding from Arts Victoria, as well as the venue hires of the theatre auditorium, foyer spaces for local, commercial organisation. This includes overseeing Mildura's most important heritage building Rio Vista Historic House, as well as Mildura Station Homestead and venue hires of woolshed and cottage.	1,262 <u>1,398</u> 136
<b>Libraries</b>	This service provides public libraries at four locations plus the mobile library service to eight remote locations. It provides a customer focused service that caters for the cultural, educational and recreational needs of residents and visitors. The service also provides a focal point for the community where they can meet, relax and enjoy the facilities, programs and services offered.	1,809 <u>1,854</u> 45
<b>Recreation and Sport</b>	This service includes management of recreation facilities (wet and dry) including aquatic facilities, facility redevelopment, and provision of grant funding for grass roots participation.	2,234 <u>2,327</u> 93
<b>Community Development</b>	This service has the responsibility to support and develop community initiatives listed in individualised, township based community plans and to strengthen 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.	2,335 <u>2,495</u> 160

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<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, Aboriginal Employment Program, Northern Mallee Community Partnership and Community Safety.	(60) <u>232</u> 292
<b>Animal Management/ Local Laws</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 in Council by providing animal management 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.	201 <u>195</u> (6)

## 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			Comments
	2015	2016	2017	
<b>Aquatic Facilities</b>				
<b>Satisfaction</b>				
<i>User satisfaction with aquatic facilities</i> [User satisfaction with how Council has performed on provision of aquatic facilities]	-	-	-	As there is currently no standard survey instrument for measuring user satisfaction that allows for accurate comparisons Council is not reporting against this measure.
<b>Service standard</b>				
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities/Number of Council aquatic facilities]	5.75	4.78	7.11	Increased number of inspections is a result of the Water Play facility being in operation for a full 12 months. In the previous year, this facility had limited operation and thus, less inspections were conducted.
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0	0	1.00	One incident reported this year at Mildura Waves gym.
<b>Service cost</b>				
<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received/Number of visits to indoor aquatic facilities]	\$1.01	\$2.32	\$3.06	Increased cost is a result of Water Play facility being in operation for a full 12 months. There is also increased costs associated with a full 12 months of a new management fee for operation of Mildura Waves.

<i>Service/Indicator/Measure</i>	Results			Comments
	2015	2016	2017	
<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received/Number of visits to outdoor aquatic facilities]	\$15.25	\$17.74	\$20.39	2015-2016 figures include the previous significantly low contract management fee for external management of four outdoor pools. Increased costs in 2016-2017 are based on the full 12 months costs for the in house management model for these facilities.
<b>Utilisation</b>				
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal Population]	9.71	9.60	8.92	The decrease in usage can be attributed to facility closures for several days due to storm and flooding.
<b>Animal Management</b>				
<b>Timeliness</b>				
<i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	-	1.00	1.00	Animal management requests are prioritised for action via Council's Customer Request Management system. Our performance standard is to deal with each request on the day of receipt.

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
<b>Service standard</b>				
<i>Animals reclaimed</i> [Number of animals reclaimed/Number of animals collected]	32.00%	26.76%	38.14%	Over the past 12 months, Council has placed a greater focus on reminding animal owners that they must register their pets. This has been achieved through telephone calls to pet owners and an enhanced local media campaign. Council also has an extensive responsible pet ownership program delivered with the support of local registered pet businesses and volunteer organisations.
<b>Service cost</b>				
<i>Cost of animal management service</i> [Direct cost of the animal management service/Number of registered animals]	\$28.23	\$29.23	\$37.51	Cost of service has increased in this year due to greater reliance on contractual animal management services.
<b>Health and safety</b>				
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	1.00	There was only one prosecution in 2016-2017. It is rare for Council to prosecute as our preference is to work through situations and only progress to legal action as a last resort.

Service/Indicator/measure	Results			Comments
	2015	2016	2017	
<b>Food Safety</b>				
<b>Timeliness</b>				
<i>Time taken to action food complaints</i>	-	5.17	4.23	The improvement in the average number of days taken to action a food complaint is largely due to having filled vacant Environmental Health Officer positions. It has been difficult to attract and retain Environmental Health Officers to this region. Food complaints of a serious nature are actioned as a matter of priority.
[Number of days between receipt and first response action for all food complaints/Number of food complaints]				
<b>Service standard</b>				
<i>Food safety assessments</i>	47.00%	40.58%	78.95%	Result has improved due to having a full complement of Environmental Health Officers employed.
[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> ] x100				
<b>Service cost</b>				
<i>Cost of food safety service</i>	\$535.98	\$589.18	\$472.11	The reduction in the cost of providing the service is largely due to an increase in the number of food premises registered in the municipality.
[Direct cost of the food safety service/Number of food premises registered or notified in accordance with the <i>Food Act 1984</i> ]				

Service/Indicator/measure	Results			Comments
	2015	2016	2017	
<b>Health and safety</b>				
<i>Critical and major non-compliance outcome notifications</i>	74.00%	91.53%	87.50%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
[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]				
<b>Libraries</b>				
<b>Utilisation</b>				
<i>Library collection usage</i>	3.32	3.08	3.26	Although fewer people visited the Library Service, there was an increase in use of the collection. The Mildura Library was closed for three weeks for redevelopment works.
[Number of library collection item loans/Number of library collection items]				
<b>Resource standard</b>				
<i>Standard of library collection</i>	53.00%	9.41%	49.79%	Library Materials Budget increased by \$23,000 (10%) from previous year, therefore more items could be purchased to improve age of collections.
[Number of library collection items purchased in the last 5 years/Number of library collection items] x100				

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
<b>Service cost</b>				
<b>Cost of library service</b> [Direct cost of the library service/Number of visits]	\$12.09	\$12.90	\$14.24	This Library Service includes four branch libraries and a mobile library delivering services five days per week to eight remote, sparsely populated small townships. The Mildura branch opens seven days per week also servicing interstate customers and an increasing Inter-library loan service throughout Victoria. Our online borrowings increased from 7,615 in 2015-16 to 9,403 in 2016-2017. Decreased visitation of 14,000 in 2016-2017 is consistent with trends of other library services across the state and this has been attributed to capacity to research and borrow online. The Mildura Library was closed for three weeks for redevelopment works.
<b>Participation</b>				
<b>Active library members</b> [Number of active library members/Municipal Population] x100	19.02%	18.02%	13.23%	From 1 July 2016, the Library Service used a new statistical package called BC Analytics that allowed the Active User figure to be narrowed down to more specific activities of the User such as those that borrowed a library collection item. This system is now used by all SWIFT library members. Previously activities other than loans were counted in previous years such as use of computers.

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
<b>Home and Community Care</b>				
<b>Timeliness</b>				
<i>Time taken to commence the HACC service</i> [Number of days between the referral of a new client and commencement of HACC service/Number of new clients who have received a HACC service]	-	69.81	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<b>Service standard</b>				
<i>Compliance with Community Care Common Standards</i> [Number of Community Care Common Standards expected outcomes met/Number of expected outcomes under the Community Care Common Standards] x100	61.11%	61.11%	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<b>Service cost</b>				
<i>Cost of domestic care service</i> [Cost of the domestic care service/Hours of domestic care service delivered]	-	\$49.54	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<i>Cost of personal care service</i> [Cost of the personal care service / Hours of personal care service delivered]	-	\$57.69	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<i>Cost of respite care service</i> [Cost of the respite care service / Hours of respite care service delivered]	-	\$59.25	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
<b>Participation</b>				
<b>Participation in HACC service</b> [Number of people that received a HACC service / Municipal target population for HACC services] x100	31.00%	22.23%	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<b>Participation in HACC service by CALD people</b> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	33.00%	33.16%	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<b>Maternal and Child Health (MCH)</b>				
<b>Satisfaction</b>				
<b>Participation in first MCH home visit</b> [Number of first MCH home visits/Number of birth notifications received] x100	105.00%	106.35%	107.85%	Results indicate all registered births receive home visit, additional percentage above 100% indicate that families are moving to the area.
<b>Service standard</b>				
<b>Infant enrolments in the MCH service</b> [Number of infants enrolled in the MCH service (from birth notifications received)/Number of birth notifications received] x100	100.00%	100.00%	100.00%	Result is consistent with previous two years.
<b>Service cost</b>				
<b>Cost of the MCH service</b> [Cost of the MCH service/Hours worked by MCH nurses]	-	\$64.11	\$64.95	Cost is consistent with previous year.

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
<b>Participation</b>				
<b>Participation in the MCH service</b> [Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x100	77.00%	77.39%	77.61%	Participation rates are consistent to previous years.
<b>Participation in the MCH service by Aboriginal children</b> [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	44.00%	51.47%	55.53%	Flexible service options are offered to Aboriginal families. Mallee District Aboriginal Service also provides a Maternal and Child Health service with some Aboriginal families choosing to attend this service.

## Strategic Objective 2: Environment

### Strategic Indicators

The following statement reviews our performance against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

#### KRA 2.1 Environmental Sustainability

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with protection of natural bushland <sup>56</sup>	16%	23%	20%	23%
Community satisfaction with management of wetlands <sup>57</sup>	15%	21%	19%	23%
Energy usage (MRCC) <sup>58</sup>	5,653	5,274	5,405	4,655
Energy usage (community) <sup>59</sup>	482,471	477,105	554,255	484,406
Water usage (MRCC) <sup>60</sup>	1,611	1,404	1,446	1,230
Recycled water usage <sup>61</sup>	171	180	191	157
Total community water usage <sup>62</sup>	11,848	12,781	13,671	12,118
Alternative energy generation (community) <sup>63</sup>	7,916	10,878	11,843	14,395
Alternative energy generation (MRCC) <sup>64</sup>	179	278.2	278.2	401.2
Pest plant and pest animal numbers <sup>65</sup>	-	-	-	-
Community involvement in environmental education programs <sup>66</sup>	1,962	2,206	1,920	2,627

<sup>56</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>57</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>58</sup> Megawatt hours (source: MRCC Energy Data collection through Planet Foot Print)

<sup>59</sup> Megawatt hours (source: Powercor)

<sup>60</sup> Megalitres (source: MRCC Water Monitoring, LMW and Planet Footprint)

<sup>61</sup> Megalitres (source: MRCC water data monitoring)

<sup>62</sup> Megalitres of Urban Water (Lower Murray Water)

<sup>63</sup> KW of installed capacity on private property (source: Powercor)

<sup>64</sup> KW of solar panels installed (source: MRCC solar installation records)

<sup>65</sup> Not being measured

<sup>66</sup> Number of participants in Environmental Programs (source: MRCC Internal records)

## KRA 2.2 Waste

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with waste management <sup>67</sup>	33%	38%	36%	45%
Community satisfaction with garbage collection <sup>68</sup>	48%	50%	57%	60%
Community satisfaction with recycling <sup>69</sup>	47%	46%	48%	52%
Community satisfaction with landfill/public transfer stations <sup>70</sup>	37%	41%	40%	43%
Total waste generation <sup>71</sup>	33,440	37,467	49,220	41,475
Quantity of kerbside recycling <sup>72</sup>	5,335	5,448	5,557	5,680
Community satisfaction with litter control <sup>73</sup>	18%	21%	19%	27%
Waste deposited to landfill <sup>74</sup>	22,536	26,849	30,162	23,434
Waste diverted from landfill <sup>75</sup>	12,563	15,713	17,915	18,042
Organic waste deposited to landfill <sup>76</sup>	-	-	-	-
Organic waste diverted from landfill <sup>77</sup>	-	-	-	-

<sup>67</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>68</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>69</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>70</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>71</sup> Tonnes (source: Waste Management KPI Data)

<sup>72</sup> Tonnes (source: Waste Management KPI Data)

<sup>73</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>74</sup> Tonnes (source: Waste Management KPI Data)

<sup>75</sup> Tonnes (source: Waste Management KPI Data)

<sup>76</sup> Not being measured

<sup>77</sup> Not being measured

## KRA 2.3 Parks

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with appearance of parks, gardens and public places <sup>78</sup>	29%	32%	35%	43%
Community satisfaction with beautification of streetscapes <sup>79</sup>	17%	19%	23%	26%
Community satisfaction with tree planting <sup>80</sup>	17%	19%	21%	25%
Community satisfaction with tree maintenance <sup>81</sup>	17%	20%	21%	28%
Community satisfaction with the appearance of wetlands <sup>82</sup>	16%	20%	17%	27%
Community satisfaction with public open space (including parks, playgrounds and reserves) <sup>83</sup>	31%	38%	37%	41%

<sup>78</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>79</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>80</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>81</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>82</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>83</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

## KRA 2.4 Infrastructure, Assets and Facilities

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with local roads <sup>84</sup>	8%	18%	18%	17%
Community satisfaction with footpaths <sup>85</sup>	12%	17%	18%	20%
Community satisfaction with drainage <sup>86</sup>	10%	19%	21%	20%
Community satisfaction with maintenance of public buildings and facilities <sup>87</sup>	14%	19%	22%	26%

<sup>84</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>85</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>86</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>87</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

## KRA 2.5 Strategic Land Use

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with land use planning <sup>88</sup>	6%	12%	13%	15%
Percentage of strategic land use projects completed <sup>89</sup>	69%	89%	90%	78%
Community satisfaction with riverfront development and accessibility <sup>90</sup>	9%	17%	30%	39%
Community satisfaction with urban environments that are safe, sustainable and healthy <sup>91</sup>	23%	22%	26%	24%
Community satisfaction with protection of local character <sup>92</sup>	11%	14%	15%	18%

<sup>88</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>89</sup> % of strategic plans completed (source: MRCC Community Futures Branch internal records)

<sup>90</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>91</sup> % of respondents who Agree – score of 6 or 7 out of 7 with the statement: Ours is a community with urban environments that are safe, sustainable and healthy (source: Community Satisfaction Survey)

<sup>92</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

## KRA 2.6 Transport

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with rail services and infrastructure <sup>93</sup>	3%	4%	7%	8%
Community satisfaction with road transport services and infrastructure <sup>94</sup>	12%	14%	16%	15%
Community satisfaction with air transport services and infrastructure <sup>95</sup>	34%	40%	48%	41%
Community satisfaction with public transport <sup>96</sup>	15%	15%	15%	16%

<sup>93</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>94</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>95</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>96</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

## Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2016-2017 Budget.

Major Initiatives	Progress
Closure and rehabilitation of Murrayville Landfill and installation of a transfer station (\$350,000).	Completed.
Major reconstruction of Madden Avenue, Mildura including new roundabouts at Ninth Street and Tenth Street intersections plus stormwater drainage upgrades.	Completed.
Full reconstruction of Game Street, Merbein including new drainage, kerb and channel, road and asphalt.	The project is 15% complete at the end of the year. The delay in completion is due to design delays associated with service authority asset locations and negotiations affecting final design.
Installation of stormwater drainage culverts under rail at Mildura, Irymple and Ouyen.	The project is 10% complete at the end of the year with works tendered and awarded. The delay in completion is due to Vic Track delaying the rail corridor closure until August 2017.
Completion of the Benetook Drainage spurline between 14th Street and 15th Street.	The project is 30% complete at the end of the year. The delay in completion is due to delays in the registration of the required easements on land parcels.
Implement stormwater drainage inspection and rehabilitation program (\$0.971 million).	Completed.
Mildura Airport Runway Reconstruction contribution of (\$4.0 million).	Completed.

## Services

The following statement provides information in relation to the services funded in the 2016-2017 Budget 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 and project management and supervision of various infrastructure works within our Capital Works Program. The service also approves and supervises private development activities such as subdivisions and infrastructure associated with unit developments.	1,563 <u>2,172</u> 609
<b>Asset Management</b>	This service prepares long term maintenance management programs for our 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.	1,916 <u>1,348</u> (568)
<b>Works and Infrastructure Services</b>	This service inspects and maintains our main civil infrastructure assets in a sustainable and prioritised manner to a defined service level.  These include roads, laneways, car parks, footpaths, shared/bike paths and our drainage network. The service also includes delivery of civil capital works projects, plus inspection and maintenance of VicRoads arterial roads located within the municipality.	6,836 <u>6,265</u> (571)
<b>Statutory Planning</b>	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal (VCAT) where necessary. It monitors the 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.	417 <u>641</u> 224

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
<b>Building Maintenance</b>	This service is responsible for the maintenance, management and strategic planning for our building, land and property leases and licenses.	4,885 <u>5,481</u> 596
<b>Parks Services</b>	This service is divided into several operational units including tree pruning, planting, removal, planning and street tree strategies. Provides for the management of conservation and parkland areas, and other areas of environmental significance.	4,849 <u>5,105</u> 256
<b>Waste Management</b>	This service provides waste collection 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.	6,334 <u>6,770</u> 436
<b>Building and Enforcement</b>	This service provides statutory building services to the community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	327 <u>299</u> (28)
<b>Environmental Sustainability</b>	This service develops, coordinates and implements environmental policy, plans, strategies and initiatives and works with other services to improve our environmental performance. Reducing energy and water usage within our operations, protecting and enhancing managed natural areas and roadsides and educating the community are key priority areas for Environmental Sustainability.	641 <u>595</u> (46)
<b>Strategic Planning</b>	This service monitors the 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.	559 <u>792</u> 233

## 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			Comments
	2015	2016	2017	
<b>Roads</b>				
<b>Satisfaction of use</b>				
<b>Sealed local road requests</b> [Number of sealed local road requests/Kilometres of sealed local roads] x100	10.18	10.27	14.47	The number of requests has increased due to the impact of the November storms and the flood events that occurred during the 2016-2017 financial year
<b>Condition</b>				
<b>Sealed local roads below the intervention level</b> [Number of kilometres of sealed local roads below the renewal intervention level set by Council/ Kilometres of sealed local roads] x100	85.00%	88.45%	89.03%	This has remained constant due to minimal changes in material costs, service levels or construction methods.
<b>Service cost</b>				
<b>Cost of sealed local road reconstruction</b> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$33.16	\$26.84	\$27.13	Reduction due to savings realised from the establishment of material and plant hire panel contracts used in providing this service and bitumen price drop.
<b>Cost of sealed local road resealing</b> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$6.23	\$5.73	\$5.43	Slight reduction reflecting bitumen price drop during the year.

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
<b>Satisfaction</b>				
<p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	58.00	54.00	56.00	Annual road maintenance program completed and an increase in Roads To Recovery funding resulted in the delivery of additional road reconstruction works.
<b>Statutory Planning</b>				
<b>Timeliness</b>				
<p><i>Time taken to decide planning applications</i></p> <p>[The median number of days between receipt of a planning application and a decision on the application]</p>	61.00	69.00	68.00	Result has improved slightly and this is expected to continue following the implementation of recommendations from a recent Statutory Planning service review.
<b>Service standard</b>				
<p><i>Planning applications decided within 60 days</i></p> <p>[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100</p>	68.00%	68.08%	76.31%	From 1 July 2016 this indicator will be updated to include VicSmart planning applications which should be assessed within 10 days. This may result in some variances year on year. Decision time frames improved given review of Statutory Planning processes.

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
<b>Service cost</b>				
<i>Cost of statutory planning service</i> [Direct cost of statutory planning service/Number of planning applications received]	\$1,588.05	\$1,849.41	\$2,384.07	Increases in the cost of service provision are the result of salary indexation and increased usage of external suppliers.
<b>Decision making</b>				
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/Number of VCAT decisions in relation to planning applications] x100	82.00%	66.67%	85.71%	Positive outcome achieved, however the raw data puts the result into perspective. In 2015/16 VCAT upheld 4 out of 6 Council decisions compared to 6 out of 7 in 2016/17.
<b>Waste Collection</b>				
<b>Satisfaction</b>				
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests/Number of kerbside bin collection households] x1,000	107.62	106.88	107.77	The result is consistent with previous years.
<b>Service standard</b>				
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed/Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.16	3.96	3.74	This indicator has reduced slightly due to improved systems to track vehicle routes and bin presentation rates.

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
<b>Service cost</b>				
<i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service/ Number of kerbside garbage collection bins]	\$66.29	\$65.41	\$69.52	The increase in cost is consistent with annual increase in the EPA Landfill Levy.
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service/Number of kerbside recyclables collection bins]	\$47.18	\$52.15	\$52.91	This cost indicator has remained constant and is influenced by commodity prices associated with the various recyclable products.
<b>Waste diversion</b>				
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x100	33.00%	32.99%	2.90%	This indicator has remained constant as there has been no significant change to the kerbside collection process or introduction of new services such as kerbside organics waste diversion.

## Strategic Objective 3: Economy

### Strategic Indicators

The following statement reviews our performance against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

#### KRA 3.1 Economic Development

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with encouragement and growth of business/ industry <sup>97</sup>	11%	10%	14%	14%
Building activity <sup>98</sup>	\$143M	\$165M	\$137M	\$135M
Jobs created <sup>99</sup>	149	357	95	120
Investment achievements for the region <sup>100</sup>	50.9	123.3	138.1	\$120M
Export data by industry <sup>101</sup>	-	-	-	-
Telecommunications uptake <sup>102</sup>	-	-	-	-

<sup>97</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>98</sup> Dollar value of applications approved by Council and building industry (source: MRCC Development Services Branch internal records)

<sup>99</sup> Number of jobs created (source: Mildura Regional Development)

<sup>100</sup> Dollar value of investments (source: Mildura Regional Development)

<sup>101</sup> Not being measured

<sup>102</sup> Not being measured

## KRA 3.2 Tourism and Events

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Yield of tourism <sup>103</sup>	\$245M	\$320M	\$250M	\$288M
Industry satisfaction with services provided by Mildura Tourism <sup>104</sup>	74%	88%	87%	N/A*
Community satisfaction with tourism services <sup>105</sup>	27%	25%	25%	25%
Customer satisfaction with visitor services <sup>106</sup>	-	-	-	-
Industry satisfaction with visitor services <sup>107</sup>	37%	36%	41%	67%
Community satisfaction with festivals and major events <sup>108</sup>	27%	27%	32%	27%
Community satisfaction with small community events <sup>109</sup>	23%	22%	25%	24%

<sup>103</sup> Tourism visitor dollar spend (source: Mildura Regional Development)

<sup>104</sup> % satisfaction score (source: Mildura Tourism).

\* Note: The 2016-17 result has not been reported as the survey from which this measure is derived was not undertaken due to the merger of Mildura Tourism with Mildura Development Corporation into a new single entity. This merger saw the cessation of direct industry membership to the entity; hence an inability to survey.

<sup>105</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>106</sup> Not being measured

<sup>107</sup> The extent to which staff provide professional services to visitors (source: Community Satisfaction Survey undertaken by Mildura VIC with industry, measuring category of excellence)

<sup>108</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>109</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

## Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2016-2017 Budget.

Major Initiatives	Progress
Funds provided to Mildura Development Corporation and Mildura Tourism to achieve economic outcomes for the community (\$1.2 million).	Completed

## Services

The following statements provide information in relation to the services funded in the 2016-2017 Budget 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</b>	<p>The <b>economic development</b> service assists the organisation to:</p> <ul style="list-style-type: none"> <li>Facilitate growth within MRCC by working with industry and business to grow/sustain existing business and develop new investment opportunities</li> <li>Encourage and form strategic alliances with key stakeholders in industry and Government to help build a vibrant and sustainable community</li> <li>Mutual commitment to work in partnership with Mildura Development Corporation to maximise economic development within the Mildura Rural City Council region through specialised projects and initiatives.</li> </ul>	<p>2,006</p> <p><u>2,073</u></p> <p>67</p>
<b>Tourism and Events</b>	<p>The Visitor Information Centre (VIC) and business conferencing and events services are responsible for assistance and facilitation of business and tourism enquiries, booking of accommodation, events and conferencing. Services are specialised and tailored to meet customer and client needs.</p>	<p>1,497</p> <p><u>1,527</u></p> <p>30</p>

## Strategic Objective 4: Council

### Strategic Indicators

The following statement reviews our performance against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

#### KRA 4.1 Leadership and Representation

Strategic Indicator/measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with overall performance of Council <sup>110</sup>	55	57	55	60
Community perception of Mildura Rural City as a place to live <sup>111</sup>	57%	56%	54%	56%
Percentage of Council Plan implemented <sup>112</sup>	81%	78%	71%	83%
Community satisfaction with advocacy <sup>113</sup>	54	52	51	54
Community satisfaction with the performance of the elected Council <sup>114</sup>	7%	7%	8%	12%

<sup>110</sup> Index Performance Score (source: Local Government Community Satisfaction Survey)

<sup>111</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>112</sup> Percentage of Council Plan actions implemented (source: Council Plan Reporting System)

<sup>113</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>114</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

## KRA 4.2 Communication and Engagement

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with Council newsletters and publications <sup>115</sup>	20%	22%	28%	23%
Community satisfaction with Council's website <sup>116</sup>	18%	25%	31%	24%
Community satisfaction with information Council provides about its services <sup>117</sup>	20%	19%	19%	27%
Community satisfaction with overall communication from Council <sup>118</sup>	14%	18%	17%	22%
Community satisfaction with Council's engagement in decision making <sup>119</sup>	8%	8%	10%	13%
Community satisfaction with community consultation and engagement <sup>120</sup>	57	57	55	58
Community satisfaction with Council's responsiveness to community input and feedback <sup>121</sup>	11%	9%	12%	17%

<sup>115</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>116</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>117</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>118</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>119</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>120</sup> Index Performance Score (source: Local Government Community Satisfaction Survey)

<sup>121</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

### KRA 4.3 Customer Service

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with accessibility to whole of Council <sup>122</sup>	17%	16%	16%	16%
Community satisfaction with responsiveness to complaints <sup>123</sup>	18%	17%	16%	17%
Community satisfaction with responsiveness to requests <sup>124</sup>	17%	16%	18%	19%
Community satisfaction with general courtesy of Council staff <sup>125</sup>	45%	43%	52%	48%
Community satisfaction with general effectiveness of Council staff <sup>126</sup>	29%	29%	35%	34%
Community satisfaction with customer contact <sup>127</sup>	72	72	71	70

<sup>122</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>123</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>124</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>125</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>126</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

<sup>127</sup> Index Performance Score (source: Local Government Community Satisfaction Survey)

## KRA 4.4 Financial Sustainability

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Underlying operating result <sup>128</sup>	2.37	18.61	6.9	16.43
Asset renewal gap <sup>129</sup>	1.16	1.08	1.02	1.02
Level of self-financing <sup>130</sup>	22	46	37	28
Level of debt <sup>131</sup>	35	28	41	44.2
Community satisfaction with value for money <sup>132</sup>	13%	11%	12%	14%

<sup>128</sup> Operating result/Operating revenue (source: Annual financial statements and working papers)

<sup>129</sup> Renewal and upgrade expenditure / depreciation (source: Annual financial statements and working papers)

<sup>130</sup> Net operating cash flows/ own source revenue (source: Annual financial statements and working papers)

<sup>131</sup> Non-current liabilities/own-sourced revenue (source: Annual financial statements and working papers)

<sup>132</sup> % favourable performance result - score of 6 or 7 out of 7 (source: Community Satisfaction Survey)

## KRA 4.5 Organisational Management

Strategic Indicator/Measure	Result – Financial Year Ending			
	2014	2015	2016	2017
Community satisfaction with overall performance of Council <sup>133</sup>	55	57	55	60
Organisational score against the Australian Business Excellence Framework <sup>134</sup>	591	NA	658.75	NA
Liability Mutual Insurance Scheme Score <sup>135</sup>	-	-	-	-
JLT risk ranking <sup>136</sup>	-	-	-	-
Overall staff satisfaction <sup>137</sup>	5.17	5.27	5.27	5.35
Percentage of staff who are likely to recommend Mildura Rural City Council as an employer <sup>138</sup>	64%	61%	61%	67%

<sup>133</sup> Index Performance Score (source: Local Government Community Satisfaction Survey)

<sup>134</sup> Score out of 1000 (source: Business Excellence Awards Feedback Report)

<sup>135</sup> Not being measured

<sup>136</sup> Not being measured

<sup>137</sup> Mean Performance Score for “My overall satisfaction with Mildura Rural City Council – All Staff” (source: Alignment & Engagement Survey)

<sup>138</sup> % favourable - score of 6 & 7 out of 7 for: I would recommend Mildura Rural City Council as a workplace to my family and friends – all staff” (source: Alignment & Engagement Survey)

## Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2016-2017 Budget for the year.

Major Initiatives	Progress
Development of the 2017-2021 Community and Council Plan	Completed

## Services

The following statement provides information in relation to the services funded in the 2016-2017 Budget 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>governance</b> includes the Mayor, Councillors, Chief Executive Officer and associated support which cannot be easily attributed to the direct service provision areas.	2,889 <u>1,663</u> (1,226)
<b>Organisational Development</b>	This service provides 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. Also includes the payment of salaries and wages to Council employees.	2,134 <u>1,862</u> (272)
<b>Marketing and Communications</b>	This service works with all areas of the organisation to ensure the community is informed about and involved in decisions, services, projects and facilities. Key tasks include media liaison, online communications, website management, publication development, graphic design, advertising and marketing.	686 <u>649</u> (37)
<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 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.	1,105 <u>1,213</u> 108

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 finances, raising and collection of rates and charges and valuation of properties throughout the municipality.	1,398 <u>1,500</u> 102
<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 and software applications across all sites and field operations to all staff, enabling the timely and efficient delivery of services to the community.	3,758 <u>4,069</u> 311
<b>Risk and Emergency Management</b>	This service provides 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.	1,001 <u>1,003</u> 2
<b>Governance</b>	This service 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, property and leasing matters.	1,281 <u>981</u> 300
<b>Procurement and Fleet</b>	This service purchases and maintains our 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.	(2,685) <u>(2,037)</u> 648

## 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			Comments
	2015	2016	2017	
<b>Governance</b>				
<b>Transparency</b>				
<i>Council resolutions at meetings closed to the public</i>	23.00%	25.25%	20.47%	This decrease reflects changes within Council's financial delegations that require less confidential decisions within Council Meetings
[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] x100				
<b>Consultation and engagement</b>				
<i>Satisfaction with community consultation and engagement</i>	57.00	55.00	58.00	Mildura Rural City Council's result improved three points when compared to last year (55) and is four points higher than the Regional Centres' group average (54) and three points higher than the State average (55).
[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]				

Service/Indicator/measure	Results			Comments
	2015	2016	2017	
<b>Attendance</b>				
<i>Council attendance at Council meetings</i>	91.5%	88.89%	91.11%	Attendance rates remain high and reflect strong commitment from elected members
[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)] x100				
<b>Service cost</b>				
<i>Cost of governance</i>	\$42,162.09	\$39,413.11	\$39,001.42	Costs in real terms have declined and reflect continuing efforts to contain such expenses.
[Direct cost of the governance service/Number of councillors elected at the last Council general election]				
<b>Satisfaction</b>				
<i>Satisfaction with Council decisions</i>	54.00	51.00	56.00	Mildura Rural City Councils result improved five points when compared to last year (51) and is four points higher than the Regional Centres' group average (52) and two points higher than the State average (54).
[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]				

# 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 our staff. These delegations are exercised in accordance with adopted policies.

## Meetings of Council

Council conducts open public meetings on the fourth Thursday 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, make a submission or speak to an item. For the 2016-2017 year, the following meetings were held:

- 11 Ordinary Council meetings
- Four Special Council meetings.

The following table provides a summary of councillor attendance at Council meetings and Special Council meetings for the 2016–2017 financial year.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Glenn Milne (Mayor) <sup>1</sup>	10	3	13
Cr Greg Brown <sup>1</sup>	11	2	13
Cr Anthony Cirillo <sup>2</sup>	8	2	10
Cr Simon Clemence <sup>2</sup>	8	3	11
Cr Ali Cupper <sup>1</sup>	9	3	12
Cr Mark Eckel <sup>1</sup>	11	4	15
Cr Jason Modica <sup>2</sup>	8	3	11
Cr Min Poole <sup>2</sup>	8	3	11
Cr Max Thorburn <sup>1</sup>	10	3	13
Cr Sharyon Peart*	3	1	4
Cr John Arnold*	3	0	3
Cr Judi Harris*	2	1	3
Cr Jill Joslyn*	3	1	4

*1 Councillors Milne, Brown, Cupper, Eckel and Thorburn were eligible to attend 11 Ordinary and four Special Council meetings during 2016-2017.*

*2 Councillors Cirillo, Clemence, Modica and Poole were eligible to attend eight Ordinary and three Special Council meetings during 2016-2017.*

*3 Outgoing Councillors Peart, Arnold, Harris and Joslyn, whose four-year term ended in October 2016, were eligible to attend three Ordinary and one Special Council meeting during 2016-2017.*

### Special Committees

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

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

There were no special committees established in the 2016-2017 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 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 Rail Freight Alliance aims to ensure appropriate rail infrastructure is in place to service our region.
Calder Highway Improvement Committee (CHIC)	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.
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 Government Digital Transformation Taskforce	To establish a strategic direction for the local government sector and oversee digital transformation activities in the short- to medium-term.
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.

Committee	Purpose
Mildura Recreation Reserve Advisory 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.
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.
Northern Mallee Local Learning Employment Network	To broker strategic and sustainable community partnerships aimed at improving education and transition outcomes for young people.
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.
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.
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* requires councils to develop and approve a councillor Code of Conduct within 12 months after 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 2016–2017, 11 conflicts of interest were declared at Council meetings and 11 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 2016 to 1 December 2016, the Councillor annual allowance for a category 2 Council (as defined by the *Local Government Act 1989*) was fixed at \$24,128 per annum and the allowance for the Mayor was \$74,655 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect as from 1 December 2016. The annual allowances were adjusted for the period 1 December 2016 to 30 June 2017 at \$24,730 per annum for the councillor allowance and \$76,521 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 year.

Councillors	Allowance \$
Cr Glenn Milne (Mayor)	\$82,939.49
Cr Greg Brown	\$26,859.56
Cr Anthony Cirillo	\$20,254.63
Cr Simon Clemence	\$20,254.63
Cr Ali Cupper	\$26,859.56
Cr Mark Eckel	\$26,859.56
Cr Jason Modica	\$20,254.63
Cr Min Poole	\$20,254.63
Cr Max Thorburn	\$26,859.56
Cr John Arnold*	\$6,604.93
Cr Judi Harris*	\$6,604.93
Cr Jill Joslyn*	\$6,604.93
Cr Sharyon Peart*	\$6,604.93

\* *Outgoing councillors whose four-year term ended in October 2016.*

## 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 2016-2017 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 Glenn Milne (Mayor)	17,590	0	1,648	2,520	2,745	0	24,503
Cr Greg Brown	2,633	7,244	54	352	0	0	10,283
Cr Anthony Cirillo	0	98	0	176	0	0	274
Cr Simon Clemence	989	1,948	81	585	85	0	3,688
Cr Ali Cupper	0	0	50	352	0	0	402
Cr Mark Eckel	231	1,466	200	1,048	0	0	2,945
Cr Jason Modica	2,949	1,823	198	652	2,052	0	7,674
Cr Min Poole	475	0	136	720	53	0	1,384
Cr Max Thorburn	0	0	0	1033	0	0	1033
Cr John Arnold*	559	277	43	274	145	0	1,298
Cr Judi Harris*	0	0	0	367	0	0	367
Cr Jill Joslyn*	0	155	65	422	0	0	642
Cr Sharyon Peart*	0	847	0	312	0	0	1,159
<b>Legend:</b>							
TR -Travel and Accommodation		IC – Information and Communication Expenses					
CM – Car Mileage		TCE – Conferences and Training expenses					
M/C – Catering/Meals		CC – Child care					

\* *Outgoing councillors whose four-year term ended in October 2016.*

## 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 Committee

The Audit 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 Committee consists of three independent members:

- Ms Karen Hensgen (Chairperson)
- Mr Frank Piscioneri
- Mr Paul Grigg

and two councillors:

- Mayor Cr Glenn Milne
- Deputy Mayor Cr Jason Modica.

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 Committee meets six times per year. The Chief Executive Officer, General Manager Corporate and Manager Financial Services attend all Audit Committee meetings. Other management representatives attend as required to present reports. A standing invitation to attend all Audit 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 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 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 Committee annually.

The Internal Auditor attends Audit Committee meetings to report on the status of the SIAP and to present findings of completed reviews. The responsible branch manager for each area reviewed is required to attend the Audit 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 Committee.

Quality assurance is measured through client satisfaction surveys for each review, the annual Audit 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 2016–2017:

- Review of Information Technology Security
- Fraud Risk Assessment and Conflict of Interest
- Contractor Management
- Grant Management
- Revenue Assurance (including Data Analytics)
- Review of Safety Procedures Surrounding Playgrounds and Reserves
- Follow Up Review.

### **External Audit**

Victorian councils are externally audited by the Victorian Auditor-General. For the 2016–2017 year, the annual external audit of our Financial Statements and Performance Statement was conducted by the Victorian Auditor-General’s representative, Richmond Sinnott and Delahunty. The external auditors attend the March and September Audit 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 Committee.

### **Risk Management**

In May 2015, we adopted the Risk Management Framework and Policy in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines. 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

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 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 22 June 2017 <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: 22 June 2017 <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 <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: 13 May 2014 <input checked="" type="checkbox"/>
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"/>

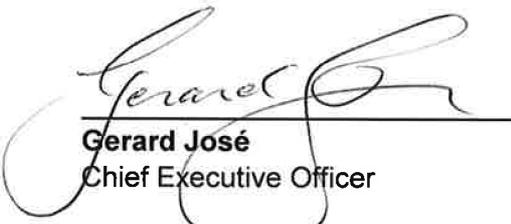
Column 1 Governance and Management Items	Column 2 Assessment
8. <b>Fraud policy</b> (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 13 December 2012 <input checked="" type="checkbox"/>
9. <b>Municipal emergency management 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: 2 December 2013 <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: 22 June 2017 <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"/>
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"/>

Column 1 Governance and Management Items	Column 2 Assessment
<p>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)</p>	<p>Engaged <input checked="" type="checkbox"/></p> <p>Date of engagement of current provider: 9 June 2016</p>
<p>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)</p>	<p>Framework <input checked="" type="checkbox"/></p> <p>Date of operation of current framework: 1 July 2014</p>
<p>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)</p>	<p>Reports <input checked="" type="checkbox"/></p> <p>Annual Plan 2015-2016 Quarter Four Report 11 August 2016</p> <p>Strategic Outcome Measures Report 2015-2016 6 December 2016</p> <p>Annual Plan 2016-2017 Quarter One Report 10 November 2016</p> <p>Annual Plan 2016-2017 Quarter Two Report 9 February 2017</p> <p>Annual Plan 2016-2017 Quarter Three Report 11 May 2017</p>
<p>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>	<p>Statements presented to council in accordance with section 138(1) of the Act <input checked="" type="checkbox"/></p> <p>Date statements presented:</p> <p>Annual Financial Statement 22 September 2016</p> <p>Quarterly Statement No 1: 15 December 2016</p> <p>Quarterly Statement No 2: 25 January 2017</p> <p>Quarterly Statement No 3: 27 April 2017</p>

Column 1 Governance and Management Items	Column 2 Assessment
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)	Quarterly reports <input checked="" type="checkbox"/> Date of reports: Risk Management Report No 1: 30 September 2016 Risk Management Report No 2: 31 December 2016 Risk Management Report No 3: 31 March 2017 Risk Management Report No 4: 30 June 2017
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)	Reports <input checked="" type="checkbox"/> Date of reports: 6 September 2016 and 9 February 2017
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)	Considered at a meeting of council in accordance with section 134 of the Act <input checked="" type="checkbox"/> Date statements presented: 20 October 2016
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 <input checked="" type="checkbox"/> Date reviewed: 21 February 2017
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: <ul style="list-style-type: none"> <li>• S5 Instrument of Delegation to the Chief Executive Officer: 23 February 2017</li> <li>• S6 Instrument of Delegation Members of Staff: 23 February 2017</li> </ul>

Column 1 Governance and Management Items	Column 2 Assessment
	<ul style="list-style-type: none"> <li>• S7 Instrument of Sub-delegation by CEO: 8 May 2017</li> <li>• S12 Instrument of Delegation and Authorisation by Municipal Building Surveyor: 16 October 2014</li> </ul>
<p>24. <b>Meeting procedures</b> (a local law governing the conduct of meetings of council and special committees)</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act <input checked="" type="checkbox"/></p> <p>Date local law made: 28 January 2016</p>

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

  
 Gerard José  
 Chief Executive Officer  
 Dated: 27 September 2017

  
 Cr Glenn Milne  
 Mayor  
 Dated: 27 September 2017

## 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 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
- 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 which 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 regards to service performance.

The following Best Value initiatives were undertaken during 2016–2017:

Service sustainability reviews completed:

- Aged & Disability Services
- Waste Services
- Libraries
- Road Construction & Maintenance
- Statutory Planning.

Major continuous improvement activities [eg Plan-Do-Study-Act (PDSA)/Approach-Deployment-Results-Improvement (ADRI)] undertaken during 2016-2017 included:

- Establishment of Planning Referral Committee
- Event in Road Reserve Permit process
- Dial-Before-You-Dig referral agency
- Fleet Management and Project Management systems development
- Councillor Induction process
- Environmental sustainability reduction in energy consumption
- Community Engagement Guidelines created
- Grants improvements implemented and centralised
- Efficient library layout.

## **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 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.

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 front-line positions with the general community
- Induction and training programs for volunteers working directly with the community.

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

- Provision of respite services for carers
- Provision of an assessment service that is inclusive of the care recipient and carer needs
- Provision of review of services to meet changing needs of the care recipient and carer
- Individual care plans developed and implemented to meet the care recipient and carer's needs.

### **Contracts**

In 2016-2017, we did not enter into any contracts valued at \$150,000 or more for goods and services, or \$200,000 for works without first engaging in a competitive process.

Council maintains a register of non-compliance with section 186 of the *Local Government Act* and this is available for public inspection.

### **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 implemented 87 per cent of the actions in the Community Access and Inclusion Plan 2014–2018. Actions completed include:

- The identification of 64 trip hazards
- Addressing 29 access items through the Disability Access Advisory Committee
- Facilitating 19 local community events, including Law Enforcement, Special Olympics Torch Run and International Day for People with a Disability
- Assisting the Autism Group with school holiday programs
- Promoting and supporting recreation, social and cultural events and activities to ensure they are accessible and allow people with a disability to participate alongside other members of the community
- Partnering with local providers to provide information sessions with disability agencies
- Providing Disability Awareness Training to 97 Council staff
- Providing BrowseAloud to the community to make our Council website more accessible
- Assisting Council's Risk Team to provide information in Easy English

- Awarding four grants to enable groups to support the community with the construction of access ramps, pathways and hearing loops, and 22 grants to enable groups to purchase equipment, build shade structures, seating and provide programs for people with a disability
- Assisting local children with a disability to attend the Portsea Camp
- Assisting a deaf group to meet with other deaf people in Swan Hill
- Updating a Mobility Map of the CBD to include the Riverfront connection and the latest changes made to Disability Parking.

### **Domestic Animal Management Plan**

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

Our Local Laws Department is currently reviewing the Domestic Animal Management Plan for the upcoming 2017-2021 period, as per the *Domestic Animals Act 1994*. The plan has been an important part of the actions carried out by the Local Laws Department in the past four years. The Domestic Animal Management Plan's policy direction and actions have enabled Council to maintain a positive approach to animal control, with ongoing new animal registrations and also strong rehousing numbers through the shelter.

The upgraded Domestic Animal Management Plan, as with the previous plan, will also note the ongoing consultation with internal and external stakeholders in relation to an "off leash" area or "dog park", which has a strong interest from our community.

Working with rehousing groups is also a major part of the rehousing of animals. We are pleased to be working with the Sunraysia Animal Rehousing Group, which received funding for a voucher for vet works to be handed out to community members by our Local Laws officers. The voucher, which can be used at both local vet clinics, is encouraging community members to desex, microchip and vaccinate their animals, as per the actions specified in the Domestic Animal Management Plan.

### **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.foi.vic.gov.au](http://www.foi.vic.gov.au) and on the Mildura Rural City Council website.

### **Protected Disclosure Procedures**

In accordance with Section 69 of the *Protected 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 protected disclosures complaints investigated during the financial year.

The *Protected 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.

During the 2016-2017 year, one disclosure was made to the Protected Disclosure Coordinator regarding the improper conduct of Council and its officers. Following an assessment by the Independent Broad-based Anti-corruption Commission (IBAC), it was determined that the disclosure did not engage the Commission's jurisdiction.

### **Road Management Act Ministerial direction**

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 2016-17 year, the following information about infrastructure and development contributions is discussed.

## 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”.)

We have not yet audited the financial income attributed to the Community Infrastructure Projects and therefore we are not in a position to provide verified figures at this time. However, going forward, these figures will be included in our Annual Report as soon as they are available.

## Development Contributions

### Total DCP Levies Received in 2016-17

DCP Name (Year Approved)	Levies Received in 2016-17 Financial Year \$
DCP01 (March 2005)	553,354.62
DCP02 (July 2006)	323,443.97
DCP03 (July 2007)	94,460.22
<b>Total</b>	<b>971,258.81</b>

### DCP Land, Works, Services or Facilities Accepted In-Kind in 2016-17

DCP Name (Year Approved)	Project ID	Project Description	Item Purpose	Value of In-Kind Works Accepted \$	Total Project Value \$
DCP01 (March 2005)	BP212	Cabarita to Benetook spur – Sixteenth Street to Fifteenth Street BP212	Construction of footpath widening for shared path	6,733.03	309,180.38
DCP01 (March 2005)	OS005	Linear reserves and parks OS005	Land acquisition for reserves in accordance with the public open space strategy	17,010.00	5,632,045.43
DCP02 (July 2006)	BP315	Karadoc Avenue – Fourteenth Street to Fifteenth Street (2 <sup>nd</sup> half about 470m)	Construction of footpath widening for shared path	6,440.00	82,779.91

DCP Name (Year Approved)	Project ID	Project Description	Item Purpose	Value of In-Kind Works Accepted \$	Total Project Value \$
DCP02 (July 2006)	DG006	Irymple drainage works	Irymple drainage infrastructure, pipework and basin construction	24,000.00	25,122,987.05
DCP02 (July 2006)	OS006	Stormwater retention - Irymple	Land acquisition for stormwater retention - Irymple	46,532.92	3,308,756.13
DCP02 (July 2006)	OS008	Linear reserves and parks - Irymple	Land acquisition for reserves in accordance with the public open space strategy	20,760.00	2,281,448.40
<b>Total</b>				<b>121,475.95</b>	<b>36,737,197.30</b>

**Total DCP Contributions Received and Expended to Date (for DCPs approved after 1 June 2016)**

DCP Name (Year Approved)	Total Levies Received \$	Total Levies Expended \$	Total Works In-Kind Accepted \$	Total DCP Contributions Received (Levies and Works-In-Kind) \$
DCP01 (March 2005)	10,334,351.22	23,442,692.85	5,568,289.61	15,902,640.83
DCP02 (July 2006)	2,189,057.07	6,712,662.81	235,861.19	2,424,918.26
DCP03 (July 2007)	1,706,192.27	2,623,016.56	232,268.88	1,938,461.15
<b>Total</b>	<b>14,229,600.56</b>	<b>32,778,372.22</b>	<b>6,036,419.68</b>	<b>20,266,020.24</b>

**Land, Works, Services or Facilities Delivered in 2016-17 from DCP Levies Collected**

Project Description	Project ID	DCP Name (Year Approved)	DCP Fund Expended	Council's Contribution	Works-In-Kind Accepted	Other Contributions	Total Project Expenditure	Percentage of Item Delivered
			\$	\$	\$	\$	\$	
Mildura South Scheme DG001	DG001	DCP01 (March 2005)	16,927.71	13,072.28	-	-	29,999.99	0.0005%
San Mateo to Benetook near Fifteenth Street Scheme DG002 (DG050 overlap)**	DG002	DCP01 (March 2005)	728,174.63	293,965.37	-	-	1,022,140.00	0.1166%
Stormwater retention – Mildura South OS002	OS002	DCP01 (March 2005)	545,291.42	414,708.58	-	-	960,000.00	0.0778%
Stormwater retention – Benetook Basin OS003	OS003	DCP01 (March 2005)	29,254.01	15,207.99	-	-	44,462.00	0.0614%
Cabarita to Benetook spur – Sixteenth Street to Fifteenth Street BP212	BP212	DCP01 (March 2005)	-	-	6,733.03	-	6,733.03	0.0218%
Linear reserves and parks OS005	OS005	DCP01 (March 2005)	-	-	17,010.00	-	17,010.00	0.0030%
Karadoc Avenue – Fourteenth Street to Fifteenth Street (2 <sup>nd</sup> half about 470m)	BP315	DCP02 (July 2006)	-	-	6,440.00	-	6,440.00	0.0778%
Stormwater retention - Irymple	OS006	DCP02 (July 2006)	-	-	46,532.92	-	46,532.92	0.0141%

Project Description	Project ID	DCP Name (Year Approved)	DCP Fund Expended \$	Council's Contribution \$	Works-In-Kind Accepted \$	Other Contributions \$	Total Project Expenditure \$	Percentage of Item Delivered
Irymple drainage works	DG006	DCP02 (July 2006)	8,063.91	33,707.09	24,000.00	-	65,771.00	0.0026%
Linear reserves and parks - Irymple	OS008	DCP02 (July 2006)	-	-	20,760.00	-	20,760.00	0.0091%
Irymple Pump Station	DG007	DCP02 (July 2006)	60,025.93	79,974.07	-	-	140,000.00	0.0184%
Mildura/Irymple transition – Construction	DG050	DCP03 (July 2007)	4,726.61	6,297.39	-	-	11,024.00	0.0006%
(DG002 Overlap)**			442,975.90	590,188.10	-	-	1,033,164.00	0.0538%
<b>Total</b>			<b>1,392,464.22</b>	<b>856,932.77</b>	<b>121,475.95</b>		<b>2,370,872.94</b>	

Note:

\*\* The DG002 project was revised and replaced by DG050 but the revised costings are only applied to the industrial zoned land and therefore residential land still contributes to DG002.

All in-kind works have to be counted as both income and expenditure, therefore showing a net charge in the reserve balance of \$0 while allowing for the accounting of the in-kind work undertaken.

## Part 2: Financial Statements



Mildura Rural City Council

Financial Statements  
for the Year Ended 30 June 2017



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**Comprehensive Income Statement  
For the Year Ended 30 June 2017**

	Note	Consolidated		Council	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Income</b>					
Rates and charges	3	64,735	61,903	64,861	62,046
Statutory fees and fines	4	2,288	1,894	2,288	1,894
User fees	5	11,270	11,824	6,114	6,430
Grants - operating	6	31,202	6,185	31,202	13,028
Grants - capital	6	8,021	9,677	8,021	9,677
Contributions - monetary	7	1,501	1,444	1,501	1,444
Contributions - non-monetary	7	2,596	4,197	2,596	4,197
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(1,850)	(5,642)	(1,846)	(5,642)
Other income	9	6,439	5,285	5,799	5,332
Asset recognition	10	5,861	1,144	5,861	1,144
<b>Total income</b>		<b>132,063</b>	<b>97,911</b>	<b>126,397</b>	<b>99,550</b>
<b>Expenses</b>					
Employee costs	11	(45,747)	(45,048)	(43,385)	(42,920)
Materials and services	12	(30,912)	(28,447)	(40,420)	(27,049)
Bad and doubtful debts	13	(202)	(43)	(202)	(47)
Depreciation and amortisation	14	(19,758)	(18,896)	(18,849)	(17,985)
Borrowing costs	15	(1,169)	(1,271)	(1,162)	(1,268)
Other expenses	16	(1,767)	(3,606)	(1,618)	(3,412)
Impairment of non financial asset		(4)	-	-	-
<b>Total expenses</b>		<b>(99,559)</b>	<b>(97,311)</b>	<b>(105,636)</b>	<b>(92,681)</b>
<b>Surplus for the year</b>		<b>32,504</b>	<b>600</b>	<b>20,761</b>	<b>6,869</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods</b>					
Net financial asset revaluation increment/(decrement)	28	-	-	11,743	574
Net asset revaluation increment/(decrement)	28	(1,430)	29,821	(1,430)	29,821
<b>Total comprehensive result</b>		<b>31,074</b>	<b>30,421</b>	<b>31,074</b>	<b>37,264</b>

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

**Balance Sheet  
As at 30 June 2017**

	Note	Consolidated		Council	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	17	46,762	34,866	43,402	31,659
Trade and other receivables	18	8,757	6,868	8,180	6,517
Other financial assets	19	2,782	10,271	2,782	10,271
Inventories	20	674	796	664	774
Other assets	21	352	601	307	536
<b>Total current assets</b>		<b>59,327</b>	<b>53,402</b>	<b>55,335</b>	<b>49,757</b>
<b>Non-current assets</b>					
Trade and other receivables	18	-	-	5,129	1,906
Other assets	21	-	-	42,699	30,956
Other financial assets	19	1,750	-	1,750	-
Property, infrastructure, plant and equipment	22	758,771	727,431	709,935	697,704
Intangible assets	23	6,122	6,290	6,065	6,229
<b>Total non-current assets</b>		<b>766,643</b>	<b>733,721</b>	<b>765,578</b>	<b>736,795</b>
<b>Total assets</b>		<b>825,970</b>	<b>787,123</b>	<b>820,913</b>	<b>786,552</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	24	12,506	5,904	7,809	5,656
Trust funds and deposits	25	1,681	1,976	1,673	1,967
Provisions	26	10,657	10,886	10,510	10,762
Interest-bearing loans and borrowings	27	734	1,487	700	1,466
<b>Total current liabilities</b>		<b>25,578</b>	<b>20,253</b>	<b>20,692</b>	<b>19,851</b>
<b>Non-current liabilities</b>					
Provisions	26	16,340	16,423	16,271	16,357
Interest-bearing loans and borrowings	27	20,574	18,043	20,471	17,939
<b>Total non-current liabilities</b>		<b>36,914</b>	<b>34,466</b>	<b>36,742</b>	<b>34,296</b>
<b>Total liabilities</b>		<b>62,492</b>	<b>54,719</b>	<b>57,434</b>	<b>54,147</b>
<b>Net Assets</b>		<b>763,478</b>	<b>732,404</b>	<b>763,479</b>	<b>732,405</b>
<b>Equity</b>					
Accumulated surplus		336,879	309,665	311,583	296,112
Reserves	28	426,599	422,739	451,896	436,293
<b>Total Equity</b>		<b>763,478</b>	<b>732,404</b>	<b>763,479</b>	<b>732,405</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 2017**

**Consolidated**

	Note	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2017</b>					
Balance at beginning of the financial year		732,404	309,665	411,026	11,713
Surplus for the year		32,504	32,504	-	-
Net asset revaluation increment/(decrement)	28(a, c)	(1,430)	-	(1,430)	-
Transfers to other reserves	28(b)	-	13,371	-	(13,371)
Transfers from other reserves	28(b)	-	(18,661)	-	18,661
<b>Balance at end of the financial year</b>		<b>763,478</b>	<b>336,879</b>	<b>409,596</b>	<b>17,003</b>

		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2016</b>					
Balance at beginning of the financial year		695,140	296,984	381,205	16,951
Surplus for the year		7,443	7,443	-	-
Net asset revaluation increment/(decrement)	28(a, c)	29,821	-	29,821	-
Transfers to other reserves	28(b)	-	15,503	-	(15,503)
Transfers from other reserves	28(b)	-	(10,265)	-	10,265
<b>Balance at end of the financial year</b>		<b>732,404</b>	<b>309,665</b>	<b>411,026</b>	<b>11,713</b>

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

**Statement of Changes in Equity  
For the Year Ended 30 June 2017**

Council		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2017</b>					
Balance at beginning of the financial year		732,405	296,112	424,572	11,721
Surplus for the year		20,761	20,761	-	-
Net asset revaluation increment/(decrement)	28(a)	10,313	-	10,313	-
Transfers to other reserves	28(b)	-	13,371	-	(13,371)
Transfers from other reserves	28(b)	-	(18,661)	-	18,661
<b>Balance at end of the financial year</b>		<b>763,479</b>	<b>311,583</b>	<b>434,885</b>	<b>17,011</b>

		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2016</b>					
Balance at beginning of the financial year		695,141	284,005	394,177	16,959
Surplus for the year		6,869	6,869	-	-
Net asset revaluation increment/(decrement)	28(a)	30,395	-	30,395	-
Transfers to other reserves	28(b)	-	15,503	-	(15,503)
Transfers from other reserves	28(b)	-	(10,265)	-	10,265
<b>Balance at end of the financial year</b>		<b>732,405</b>	<b>296,112</b>	<b>424,572</b>	<b>11,721</b>

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

**Statement of Cash Flows  
For the Year Ended 30 June 2017**

	Note	Consolidated		Council	
		2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>					
Rates and charges		64,439	62,023	64,565	62,166
Statutory fees and fines		2,288	1,894	2,288	1,894
User fees		8,944	10,939	6,264	4,921
Contributions - monetary		1,576	1,516	1,576	1,516
Grants - operating		33,874	13,679	32,762	13,679
Grants - capital		6,639	10,901	6,639	10,901
Other receipts		4,563	6,387	4,707	6,660
Interest		1,329	1,370	1,370	1,513
Net GST refund		2,624	3,718	1,782	4,002
Trust funds and deposits taken		6,261	1,570	6,261	1,570
Materials and services		(33,898)	(32,948)	(41,959)	(31,025)
Employees costs		(46,053)	(44,081)	(43,711)	(42,012)
Trust funds and deposits repaid		(6,555)	(1,130)	(6,555)	(1,130)
Other payments		(1,255)	(3,459)	(4,263)	(3,459)
<b>Net cash provided by operating activities</b>	29	<b>44,776</b>	<b>32,379</b>	<b>31,726</b>	<b>31,196</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	22,23	(39,752)	(27,766)	(26,852)	(26,946)
Proceeds from sale of property, infrastructure, plant and equipment	8	584	708	572	708
Net Proceeds from financial assets		5,739	(6,509)	5,739	(6,492)
<b>Net cash used in investing activities</b>		<b>(33,429)</b>	<b>(33,567)</b>	<b>(20,541)</b>	<b>(32,730)</b>
<b>Cash flows from financing activities</b>					
Finance costs		(1,207)	(1,271)	(1,208)	(1,268)
Proceeds from borrowings		5,128	-	5,128	-
Repayment of borrowings		(3,372)	(1,846)	(3,362)	(1,927)
<b>Net cash used in financing activities</b>		<b>549</b>	<b>(3,117)</b>	<b>558</b>	<b>(3,195)</b>
Net increase/(decrease) in cash and cash equivalents		11,896	(4,305)	11,743	(4,729)
Cash and cash equivalents at the beginning of the financial year		34,866	39,171	31,659	36,388
<b>Cash and cash equivalents at the end of the financial year</b>	17	<b>46,762</b>	<b>34,866</b>	<b>43,402</b>	<b>31,659</b>
Financing arrangements	30				
Restrictions on cash assets	17				

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

**Statement of Capital Works  
For the Year Ended 30 June 2017**

	Consolidated		Council	
Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Capital expenditure areas</b>				
<b>Property</b>				
Land	426	375	426	239
Buildings	6,030	4,092	5,973	3,670
<b>Total property</b>	<b>6,456</b>	<b>4,467</b>	<b>6,399</b>	<b>3,909</b>
<b>Plant and equipment</b>				
Plant, machinery and equipment	2,558	3,378	2,478	3,233
Fixtures, fittings and furniture	461	577	352	577
Library books and art works	295	285	295	285
<b>Total plant and equipment</b>	<b>3,314</b>	<b>4,240</b>	<b>3,125</b>	<b>4,095</b>
<b>Infrastructure</b>				
Roads	8,772	11,169	8,772	11,169
Footpaths and cycleways	1,696	515	1,696	515
Drainage	2,505	3,326	2,505	3,326
Recreational, leisure and community	1,080	712	1,080	712
Waste management	553	89	553	89
Parks, open spaces and streetscapes	2,375	2,870	2,342	2,870
Aerodromes	19,755	-	-	-
Off street car parks	259	301	259	184
<b>Total infrastructure</b>	<b>36,995</b>	<b>18,982</b>	<b>17,207</b>	<b>18,865</b>
<b>Total capital works</b>	<b>46,765</b>	<b>27,689</b>	<b>26,731</b>	<b>26,869</b>
Intangible assets - software	121	77	121	77
<b>Total</b>	<b>121</b>	<b>77</b>	<b>121</b>	<b>77</b>
<b>Total capital works</b>	<b>46,886</b>	<b>27,766</b>	<b>26,852</b>	<b>26,946</b>
<b>Represented by:</b>				
New asset expenditure	1,535	2,729	1,535	2,593
Asset renewal expenditure	15,334	13,881	15,088	13,881
Asset expansion expenditure	15,913	6,001	6,019	6,001
Asset upgrade expenditure	13,983	5,078	4,089	4,394
Intangible asset	121	77	121	77
<b>Total capital works</b>	<b>46,886</b>	<b>27,766</b>	<b>26,852</b>	<b>26,946</b>

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

## Notes to the Financial Report For the Year Ended 30 June 2017

### Introduction

- (a) The Mildura Rural City Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate.

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

- (b) The purpose of the Council is to:

- provide for the peace, order and good government of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value principle.

Principles to best meet the needs of the local community;

- to improve the overall quality of life of people in the local community;
- to promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

Council uses the following service providers:

External Auditor - Auditor-General of Victoria

Internal Auditor - BDO Australia

Solicitors - Martin Irwin Richards of Mildura, Maddocks of Melbourne, Harwood Andrews Lawyers of Melbourne, Meerkin and Apel Lawyers of Melbourne, FOI Solutions Lawyers of Melbourne, Macpherson and Kelly Lawyers of Melbourne and Russell Kennedy of Melbourne

Bankers - Commonwealth Bank of Australia Ltd

Council maintains the following website:

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

### 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, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 1 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.

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

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 1 (f) )
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (n) )
- the determination of employee provisions (refer to Note 1 (s) )
- the determination of landfill provisions (refer to Note 1 (y) )

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

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

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) Change in accounting policies

There have been no changes in accounting policies from the previous period.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 1 Significant accounting policies (cont)**

**(c) Principles of consolidation**

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2017, 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.

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

**(d) Committees of management**

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 1 Significant accounting policies (cont)**

**(e) Revenue recognition**

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

*Rates and charges*

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.

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

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

*Statutory fees and fines*

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.

*User fees*

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

*Grants*

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 1 Significant accounting policies (cont)**

**(e) Revenue recognition (cont)**

*Contributions*

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

*Sale of property, infrastructure, plant and equipment*

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

*Rental*

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

*Interest*

Interest is recognised as it is earned.

*Dividends*

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

*Other income*

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

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 1 Significant accounting policies (cont)

(f) **Fair value measurement**

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.

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.

(g) **Cash and cash equivalents**

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.

(h) **Trade and other receivables**

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. 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.

(i) **Other financial assets**

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

(j) **Investments**

Investments, other than investments in associates, are measured at cost. The carrying value of Council's investment in the Mildura Airport Pty Ltd was initially measured at cost, and adjusted each balance date thereafter for changes in the Council's share (100%) of the net assets of the company. Gains or losses arising are recognised directly in equity through the Financial Assets Revaluation Reserve (note 28 (c)).

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 1 Significant accounting policies (cont)

(k) **Inventories**

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

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.

(l) **Recognition and measurement of property, plant and equipment, infrastructure, intangibles**

*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 detailed in Note 1 have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

(m) **Recognition and measurement of property, plant and equipment, infrastructure, intangibles**

*Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment (furniture and fitting, library books, capital works in progress and landfill) are measured at their fair value, being the 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 on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 22 Property plant and equipment.

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 asset revaluation reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

*Land under roads*

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

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 1 Significant accounting policies (cont)**

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

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

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

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

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

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

	Depreciation Period	Threshold Limit \$'000
Property		
Land		
land	-	5
land under roads	-	All
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		
Roads		
footpaths and cycleways	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 carparks	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 2017**

**Note 1 Significant accounting policies (cont)**

**(o) Repairs and maintenance**

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

**(p) Impairment of assets**

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

**(q) Trust funds and deposits**

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 (refer to Note 25).

**(r) Borrowings**

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.

*Borrowing costs*

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

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

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 1 Significant accounting policies (cont)**

**(s) Employee costs and benefits**

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

*(i) 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.

*(ii) Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability - unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL representing less than 7 years is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

*(iii) Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The council recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

*(iv) Employee benefits on-costs*

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 1 Significant accounting policies (cont)**

**(t) Landfill rehabilitation provision**

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

**(u) Leases**

*Finance leases*

Leases of assets where substantially all the risks and rewards incidental to the ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 1 to 5 year period.

*Operating leases*

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

*Leasehold improvements*

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 1 to 5 year period.

**(v) Goods and Services Tax (GST)**

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

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

**(w) Financial guarantees**

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 34 contingent liabilities and contingent assets.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 1 Significant accounting policies (cont)**

**(x) Contingent assets and contingent liabilities and commitments**

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of a Note and presented inclusive of the GST payable.

**(y) Pending accounting standards**

The following new AAS's have been issued that are not mandatory for the 30 June 2017 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.

*Revenue from contracts with customers (AASB 15) (applies 2019/20)*

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

*Leases (AASB 16) (applies 2019/20)*

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has no operating leases that will be impacted as a result of this change. This will see no change in assets and liabilities recognised.

**(z) Rounding**

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

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 2 Budget comparison

The budget comparison 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 the lower of 10 percent or \$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 23th June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue 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.

#### a) Income and Expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	%	Ref
<b>Income</b>					
Rates and charges	64,419	64,861	442	1	1
User fees	5,466	6,114	648	12	2
Statutory fees and fines	2,021	2,288	267	13	3
Grants - operating	29,044	31,202	2,158	7	4
Grants - capital	8,173	8,021	(152)	(2)	
Contributions - monetary	1,179	1,501	322	27	5
Contributions - non monetary	-	2,596	2,596	100	6
Net gain on disposal of property, infrastructure, plant and equipment	307	(1,846)	(2,153)	(701)	7
Other income	4,939	5,799	860	17	8
Asset recognition	-	5,861	5,861	100	9
<b>Total income</b>	<b>115,548</b>	<b>126,397</b>	<b>10,849</b>		
<b>Expenses</b>					
Employee costs	(44,742)	(43,385)	1,357	(3)	10
Materials and services	(44,975)	(40,420)	4,555	(10)	11
Bad and doubtful debts	(188)	(202)	(14)	7	
Depreciation and amortisation	(17,908)	(18,849)	(941)	5	12
Borrowing costs	(1,181)	(1,162)	19	(2)	
Other expenses	(963)	(1,618)	(655)	68	13
<b>Total Expenses</b>	<b>(109,957)</b>	<b>(105,636)</b>	<b>4,321</b>		
<b>Surplus / (deficit)</b>	<b>5,591</b>	<b>20,761</b>	<b>15,170</b>		

**Notes to the Financial Report**  
**VARIANCE EXPLANATION REPORT**  
For the Year Ended 30 June 2017

(i) Explanation of material variations

Variance

Ref	Item	Explanation
1	Rates and charges	Supplementary rates was above original forecast.
2	User fees	Mildura Landfill received additional waste fees over and above budget expectations. Private works income was also higher than anticipated due to receiving additional Vic Roads contracts.
3	Statutory fees and fines	Receipts from planning permits and infringements were above budget forecast due to a significant increase in statutory fees charged by Council which is mandated by the State Government.
4	Grants - operating	Timing of receipt of grant funding for the Mildura Airport Runway project.
5	Contributions - monetary	Developer contributions exceeded our original forecast due to an increase in residential development throughout the municipality.
6	Contributions - non monetary	Non monetary contributions are volatile and difficult to predict and being non cash in nature are not traditionally budgeted for. It is due to works completed in lieu of cash contribution for infrastructure, predominantly residential sub divisions. 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.
7	Net gain 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.
8	Other income	Variance predominantly due to reimbursements received being higher than original budget forecast. This is due to a number of different programs and projects throughout Council.
9	Asset recognition	During the upgrade of the asset management system Council has recognised additional drainage and footpath assets.
10	Employee costs	Within 3 percent of budget and variance was due to unfulfilled position and a change in accounting treatment of leave entitlement.
11	Materials and services	Timing of payments in relation to the Mildura Airport Runway project.
12	Depreciation and amortisation	Variance due to recognition of asset and revaluations during the year.
13	Other expenses	The accounting treatment for our landfill provision resulted in a increase in the provision for future landfill rehabilitations works which required a recognition of an expense. This is non cash and not something you would traditionally budget for.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 2 Budget Comparison (cont)**

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	%	Ref
<b>b) Capital Works</b>					
<b>Property</b>					
Land	1,080	426	(654)	(61)	1
Buildings	6,644	5,973	(671)	(10)	2
<b>Plant and equipment</b>					
Plant, machinery and equipment	2,519	2,478	(41)	(2)	
Computers and telecommunications	1,521	-	(1,521)	(100)	3
Fixtures, fittings and furniture	377	352	(25)	(7)	
Library books and art works	320	295	(25)	(8)	
<b>Infrastructure</b>					
Roads	12,474	8,772	(3,702)	(30)	4
Bridges	110	-	(110)	(100)	5
Footpaths and cycleways	1,272	1,696	424	33	6
Drainage	2,257	2,505	248	11	
Recreational, leisure and community	1,068	1,080	12	1	
Waste management	473	553	80	17	
Parks, open spaces and streetscapes	2,414	2,342	(72)	(3)	
Off street car parks	460	259	(201)	(44)	7
Intangible assets - software	-	121	121	100	8
<b>Total Capital Works</b>	<b>32,989</b>	<b>26,852</b>	<b>(6,137)</b>		
<b>Represented by:</b>					
New asset expenditure	4,694	1,535	(3,159)	(67)	
Asset renewal expenditure	18,319	15,088	(3,231)	(18)	
Asset expansion expenditure	2,395	6,019	3,624	151	
Asset upgrade expenditure	7,581	4,089	(3,492)	(46)	
Intangible assets	-	121	121	100	
<b>Total Capital Works</b>	<b>32,989</b>	<b>26,852</b>	<b>(6,137)</b>		

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 2 Budget Comparison (cont)**

**(i) Explanation of material variations**

Variance		
Ref.	Item	Explanation
1	Land	Delay in acquisition of Land budgeted to be acquired during the year due to ongoing negotiations with Landowners and awaiting the outcome of legal negotiations.
2	Buildings	<p>The Mildura Riverfront Precinct project is part of a \$19 million project that spans over multiple years is currently in its final stages. The component of the Powercor Substation did not commence until late in the financial year.</p> <p>Replacement of three public toilet projects delayed due to awaiting the outcome of Public Toilet Strategy.</p> <p>Underbool Kindergarten extension delayed due to tender price received was well above budget allocated. Project was retendered and an agreed contract was awarded.</p> <p>Mildura Arts Centre Gallery LED lighting project was tendered in the third quarter however lead time for fittings, materials and equipment delayed in receiving of goods.</p> <p>Mildura Arts Centre installation of lift and building works was delayed in approval and signing of contract.</p>
3	Computers and telecommunications	Part of capital expenditure for this class of assets is currently sitting in Intangible Assets. The expenditure to date is predominantly for the acquisition of software relating to Council's Asset Management System, software related to the digital application and Public Wifi for the Mildura Riverfront Precinct Project. The balance of the projects were not started at the end of the financial year and are to be carried forward into the 2017/2018 financial year. Delays were due to a variety of reasons including lengthy stake holder engagement and user needs assessment.
4	Roads	<p>Road, intersection and bypass lane at Mildura Landfill delayed due to the expiration of the Aroundagain lease.</p> <p>Roads to Recovery projects revised as grant funding reduced for the financial year.</p>
5	Bridges	Rio Vista Park stair replacement budgeted to begin in the 2016/17 year, delayed due to changes required to the structural design.
6	Footpaths and cycleways	<p>The Mildura Riverfront Precinct project is part of a \$19 million project that spans over multiple years is currently in its final stages. Footpath and cycleway works due to be completed in a prior year were undertaken in this financial year.</p> <p>Delays in final footpath designs in the prior year with tender package approved May 2016 and works undertaken in July 2016.</p>
7	Off street car parks	Delays with Car Park at corner of Thirteenth Street and Ontario Avenue awaiting hearing at Victorian Civil and Administrative Tribunal.
8	Intangible assets - software	Capital expenditure for this class of assets was budgeted for under computers and telecommunications. The expenditure to date is predominantly for the acquisition of software relating to Council's Asset Management System, software related to the digital application and Public Wifi for the Mildura Riverfront Precinct Project.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

Consolidated		Council	
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000

**Note 3 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 2016/2017 was \$7,979 million (2015/2016 \$7,184 million). The 2016/2017 rate in the dollar was \$0.0065319 (2015/2016 \$0.007015).

General rates	41,381	39,390	41,507	39,533
Municipal charge	2,739	2,708	2,739	2,708
Cultural/recreational land	17	18	17	18
Mildura City Heart special rate	554	275	554	275
Business differential rate	11,874	11,719	11,874	11,719
Waste management charge	8,170	7,793	8,170	7,793
<b>Total rates and charges</b>	<b>64,735</b>	<b>61,903</b>	<b>64,861</b>	<b>62,046</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2017, and the valuation will be first applied in the rating year commencing 1 July 2017.

**Note 4 Statutory fees and fines**

Permits	326	355	326	355
Statutory planning fees	587	425	587	425
Infringements and costs	884	690	884	690
Land information certificates	124	97	124	97
Valuations database	237	195	237	195
Other statutory fees and fines	130	132	130	132
<b>Total statutory fees and fines</b>	<b>2,288</b>	<b>1,894</b>	<b>2,288</b>	<b>1,894</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 5 User fees</b>				
Rent/lease fees	954	794	563	513
Animal control and local laws	444	431	444	431
Child care/children's programs	331	314	331	314
Aged and health services	1,204	1,200	1,204	1,200
Airport fees and charges	4,765	5,113	-	-
Swimming pool fees	98	94	98	94
Other fees and charges	452	436	452	436
Contract works	1,193	966	1,193	966
Entrance charges	562	547	562	547
Waste management services	1,080	1,766	1,080	1,766
Commission/agency fees	187	163	187	163
<b>Total user fees</b>	<b>11,270</b>	<b>11,824</b>	<b>6,114</b>	<b>6,430</b>

**Note 6 Grants**

Grants were received in respect of the following :

<b>Summary of grants</b>				
Commonwealth funded grants	28,087	5,417	28,087	5,417
State funded grants	11,136	17,287	11,136	17,287
<b>Total grants received</b>	<b>39,223</b>	<b>22,704</b>	<b>39,223</b>	<b>22,704</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 6 Grants (cont)</b>				
<b>Operating Grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Victorian Grants Commission - general purpose	15,113	4,955	15,113	4,955
Victorian Grants Commission - local roads	5,655	1,888	5,655	1,888
Family services	240	228	240	228
Aged and disability services	2,008	-	2,008	-
	<b>23,016</b>	<b>228</b>	<b>23,016</b>	<b>7,071</b>
<b>Recurrent - State Government</b>				
Primary Care Partnerships	394	389	394	389
Aged care	843	2,777	843	2,777
Libraries	361	357	361	357
Maternal and child health	693	616	693	616
Family services	256	257	256	257
Youth services	284	275	284	275
Environmental health	45	38	45	38
Social development and projects	136	131	136	131
Environment	-	75	-	75
Local laws	100	98	100	98
Healthy together	-	75	-	75
Emergency management	-	29	-	29
Arts and culture	190	180	190	180
Road construction and maintenance	129	157	129	157
	<b>3,431</b>	<b>5,454</b>	<b>3,431</b>	<b>5,454</b>
<b>Total recurrent operating grants</b>	<b>26,447</b>	<b>5,682</b>	<b>26,447</b>	<b>12,525</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 6 Grants (cont)</b>				
<b>Non-recurrent - Commonwealth Government</b>				
Family services	-	17	-	17
Social development and projects	5	-	5	-
	<b>5</b>	<b>17</b>	<b>5</b>	<b>17</b>
<b>Non-recurrent - State Government</b>				
Airport operations	3,738	-	3,738	-
Youth services	14	5	14	5
Primary Care Partnership	15	25	15	25
Community development	12	-	12	-
Social development and projects	481	161	481	161
Environment	146	120	146	120
Planning and development	75	-	75	-
Emergency management	120	120	120	120
Arts and culture	37	11	37	11
Aged and disability services	103	3	103	3
Family services	9	41	9	41
	<b>4,750</b>	<b>486</b>	<b>4,750</b>	<b>486</b>
<b>Total non-recurrent operating grants</b>	<b>4,755</b>	<b>503</b>	<b>4,755</b>	<b>503</b>
<b>Total operating grants</b>	<b>31,202</b>	<b>6,185</b>	<b>31,202</b>	<b>13,028</b>
<b>Capital Grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Commonwealth Government - Roads to Recovery	4,063	5,172	4,063	5,172
	<b>4,063</b>	<b>5,172</b>	<b>4,063</b>	<b>5,172</b>
<b>Recurrent - State Government</b>				
Libraries	11	9	11	9
Maternal and child health	3	-	3	-
Recreation and sport	-	11	-	11
	<b>14</b>	<b>20</b>	<b>14</b>	<b>20</b>
<b>Total recurrent capital grants</b>	<b>4,077</b>	<b>5,192</b>	<b>4,077</b>	<b>5,192</b>
<b>Non-recurrent - Commonwealth Government</b>				
Recreation and sport	1,003	-	1,003	-
	<b>1,003</b>	<b>-</b>	<b>1,003</b>	<b>-</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 6 Grants (cont)</b>				
<b>Non-recurrent - State Government</b>				
Community development	-	12	-	12
Environment	138	3	138	3
Libraries	19	162	19	162
Maternal and child health	-	64	-	64
Recreation and sport	2,574	2,833	2,574	2,833
Road construction and maintenance	210	1,411	210	1,411
	<u>2,941</u>	<u>4,485</u>	<u>2,941</u>	<u>4,485</u>
<b>Total non-recurrent capital grants</b>	<b>3,944</b>	<b>4,485</b>	<b>3,944</b>	<b>4,485</b>
<b>Total capital grants</b>	<b>8,021</b>	<b>9,677</b>	<b>8,021</b>	<b>9,677</b>
<b>Unspent grants received on condition that they be spent</b>				
Balance at start of year	2,559	3,817	2,559	3,817
Received during the financial year and remained unspent at balance date	3,510	1,310	3,510	1,310
Received in prior years and spent during the financial year	(1,997)	(2,568)	(1,997)	(2,568)
Balance at year end	<u>4,072</u>	<u>2,559</u>	<u>4,072</u>	<u>2,559</u>
<b>Note 7 Contributions</b>				
Monetary	1,501	1,444	1,501	1,444
Non-monetary	2,596	4,197	2,596	4,197
<b>Total contributions</b>	<u>4,097</u>	<u>5,641</u>	<u>4,097</u>	<u>5,641</u>
<b>Monetary</b>				
Community services	246	251	246	251
Developer contributions	979	936	979	936
Capital contributions	179	181	179	181
Other	97	76	97	76
<b>Total contributions</b>	<u>1,501</u>	<u>1,444</u>	<u>1,501</u>	<u>1,444</u>
<b>Non-monetary</b>				
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>				
Infrastructure	2,596	4,197	2,596	4,197
<b>Total non-monetary contributions</b>	<u>2,596</u>	<u>4,197</u>	<u>2,596</u>	<u>4,197</u>
<b>Total contributions</b>	<u>4,097</u>	<u>5,641</u>	<u>4,097</u>	<u>5,641</u>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>				
Proceeds of sale	584	708	572	708
Written down value of assets disposed	(2,434)	(6,350)	(2,418)	(6,350)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(1,850)</b>	<b>(5,642)</b>	<b>(1,846)</b>	<b>(5,642)</b>
<b>Note 9 Other income</b>				
Interest	950	1,142	993	1,209
Interest on rates	322	304	322	304
Sales	1,076	461	387	461
Other	150	128	25	33
Child care reimbursement	1,413	1,227	1,413	1,227
Fuel tax rebate	221	286	221	286
Workcover costs reimbursements	246	77	246	77
Legal costs recouped	216	182	216	182
Airport reimbursement	-	-	131	-
Aged care package reimbursement	214	291	214	291
Cemetery reimbursement	377	451	377	451
Utilities reimbursement	250	304	250	304
Youth case management reimbursement	378	221	378	221
Other costs reimbursed	626	211	626	286
<b>Total other income</b>	<b>6,439</b>	<b>5,285</b>	<b>5,799</b>	<b>5,332</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 10 Asset recognition</b>				
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	5,861	1,144	5,861	1,144
<b>Total asset recognition</b>	<b>5,861</b>	<b>1,144</b>	<b>5,861</b>	<b>1,144</b>
<b>Note 11 Employee costs</b>				
Wages and salaries	41,619	40,968	39,460	38,999
Payroll tax	22	9	22	20
Superannuation	3,913	3,853	3,710	3,683
Fringe benefits tax	193	218	193	218
<b>Total employee costs</b>	<b>45,747</b>	<b>45,048</b>	<b>43,385</b>	<b>42,920</b>
<b>Super</b>				
Council made contributions to the following funds:				
<b>Defined benefit fund</b>				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	424	468	424	468
	<b>424</b>	<b>468</b>	<b>424</b>	<b>468</b>
Employer contributions payable at reporting date.				
<b>Accumulation funds</b>				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,082	2,137	2,082	2,137
Employer contributions - other funds	1,407	1,248	1,204	1,078
	<b>3,489</b>	<b>3,385</b>	<b>3,286</b>	<b>3,215</b>
Employer contributions payable at reporting date.	95	82	95	82
Refer to note 33 for further information relating to Council's superannuation obligations				

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 12 Materials and services</b>				
Contract payments	9,535	8,230	9,507	7,977
Consultants	2,499	1,394	2,326	1,394
Environmental protection waste levy	1,173	1,690	1,173	1,690
Grants, contributions and donations	2,813	2,769	13,936	2,769
Utilities	3,275	3,376	3,098	3,214
Office administration	1,411	1,019	1,185	949
Materials purchased	4,081	4,124	3,777	3,825
Plant and vehicle costs	2,242	2,337	1,934	1,954
Information technology	1,162	1,047	1,117	1,013
Insurance	895	937	841	840
Training	994	832	907	832
Other materials and contractors	413	213	200	213
General maintenance	419	479	419	379
<b>Total materials and services</b>	<b>30,912</b>	<b>28,447</b>	<b>40,420</b>	<b>27,049</b>
<b>Note 13 Bad and doubtful debts</b>				
Other debtors	29	(2)	29	2
Infringements	173	45	173	45
<b>Total bad and doubtful debts</b>	<b>202</b>	<b>43</b>	<b>202</b>	<b>47</b>
<b>Note 14 Depreciation and amortisation</b>				
Buildings	2,451	2,445	2,245	2,254
Plant and equipment	3,301	3,092	3,032	2,818
Infrastructure	13,792	13,144	13,358	12,698
<b>Total depreciation</b>	<b>19,544</b>	<b>18,681</b>	<b>18,635</b>	<b>17,770</b>
Intangible assets	214	215	214	215
<b>Total</b>	<b>214</b>	<b>215</b>	<b>214</b>	<b>215</b>
<b>Total depreciation and amortisation</b>	<b>19,758</b>	<b>18,896</b>	<b>18,849</b>	<b>17,985</b>

Refer to note 22 and 23 for a more detailed breakdown of depreciation and amortisation charges

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 15 Borrowing costs</b>				
Interest - borrowings	1,141	1,269	1,134	1,266
Interest - finance leases	28	2	28	2
<b>Total borrowing costs</b>	<b>1,169</b>	<b>1,271</b>	<b>1,162</b>	<b>1,268</b>
<b>Note 16 Other expenses</b>				
Auditors' remuneration - VAGO - audit of the financial statements and performance statement	69	71	56	58
Auditors' remuneration - Internal	117	117	117	117
Councillors' allowances	312	310	312	310
Directors' fees	83	82	-	-
Refunds	54	46	54	46
Operating lease rentals	120	135	120	135
Increase in landfill provision discounted amount	565	2,375	565	2,375
Other	447	470	394	371
<b>Total other expenses</b>	<b>1,767</b>	<b>3,606</b>	<b>1,618</b>	<b>3,412</b>
<b>Note 17 Cash and cash equivalents</b>				
Cash on hand	56	37	11	11
Cash at bank	18,869	8,825	17,320	5,644
Short term deposits	27,837	26,004	26,071	26,004
<b>Total cash and cash equivalents</b>	<b>46,762</b>	<b>34,866</b>	<b>43,402</b>	<b>31,659</b>
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:				
Statutory reserve funds (note 28)	2,838	2,479	2,846	2,487
Trust funds and deposits (note 25)	1,681	1,976	1,673	1,967
Restricted funds	4,519	4,455	4,519	4,454
<b>Total unrestricted cash and cash equivalents</b>	<b>42,243</b>	<b>30,411</b>	<b>38,883</b>	<b>27,205</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 17 Cash and cash equivalents (cont)</b>				
<b>Intended allocations</b>				
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:				
Unexpended grants (note 6)	4,072	2,559	4,072	2,559
Discretionary reserves (note 28)	14,165	9,234	14,165	9,234
Long service leave 25% (note 26)	1,668	1,797	1,668	1,740
Cash held to fund carried forward capital works	11,396	10,899	11,396	10,899
Total funds subject to intended allocations	31,301	24,489	31,301	24,432
Total cash and cash equivalents free of intended allocations	10,942	5,922	7,582	2,773
Refer also to note 19 for details of other financial assets held by Council.				
<b>Note 18 Trade and other receivables</b>				
<b>Current</b>				
<i>Statutory receivables</i>				
Rates debtors	3,645	3,349	3,645	3,349
Infringement debtors	1,557	1,317	1,557	1,317
Provision for doubtful debts - infringements	(1,256)	(1,082)	(1,256)	(1,082)
<i>Non statutory receivables</i>				
General debtors	3,710	1,856	3,161	1,312
Provision for doubtful debts - other debtors	(51)	(43)	(51)	(43)
Accrued income	733	1,068	705	1,050
GST receivable	419	403	419	403
Loan to Mildura Airport Pty Ltd	-	-	-	211
<b>Total</b>	<b>8,757</b>	<b>6,868</b>	<b>8,180</b>	<b>6,517</b>
<b>Non-current</b>				
<i>Non statutory receivables</i>				
Loan to Mildura Airport Pty Ltd	-	-	5,129	1,906
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,129</b>	<b>1,906</b>
<b>Total trade and other receivables</b>	<b>8,757</b>	<b>6,868</b>	<b>13,309</b>	<b>8,423</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

Consolidated		Council	
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000

**Note 18 Trade and other receivables (cont)**

**a) Ageing of receivables**

At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

Current (not yet due)	3,405	1,641	2,862	1,111
Past due by up to 30 days	261	159	254	146
Past due between 31 and 180 days	49	200	49	199
Past due between 181 and 365 days	199	90	199	90
Past due by more than 1 year	1,352	1,083	1,352	1,083
Total trade & other receivables	<u>5,266</u>	<u>3,173</u>	<u>4,716</u>	<u>2,629</u>

**b) Movement in provisions for doubtful debts**

Balance at the beginning of the year	1,125	1,102	1,125	1,102
New provisions recognised during the year	202	47	202	47
Amounts already provided for and written off as uncollectible	(20)	(24)	(20)	(24)
Amounts provided for but recovered during the year	-	-	-	-
Balance at end of year	<u>1,307</u>	<u>1,125</u>	<u>1,307</u>	<u>1,125</u>

**c) Ageing of individually impaired receivables**

At balance date, other debtors representing financial assets with a nominal value of \$20,410 (2016: \$46,832) were impaired. The amount of the provision raised against these debtors was \$20,410 (2016: \$46,832). The 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:

Past due between 31 and 180 days	25	-	25	-
Past due between 181 and 365 days	4	7	4	7
Past due by more than 1 year	173	40	173	40
Total trade & other receivables	<u>202</u>	<u>47</u>	<u>202</u>	<u>47</u>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 19 Other financial assets</b>				
<i>Current</i>				
Term deposits	2,782	8,780	2,782	8,780
Floating notes	-	1,491	-	1,491
<b>Total current other financial assets</b>	<b>2,782</b>	<b>10,271</b>	<b>2,782</b>	<b>10,271</b>
<i>Non-current</i>				
Floating notes	1,750	-	1,750	-
<b>Total non-current other financial assets</b>	<b>1,750</b>	<b>-</b>	<b>1,750</b>	<b>-</b>
<b>Note 20 Inventories</b>				
Inventories held for distribution	587	685	577	685
Inventories held for sale	87	111	87	89
<b>Total inventories</b>	<b>674</b>	<b>796</b>	<b>664</b>	<b>774</b>
<b>Note 21 Other assets</b>				
<b>Prepayments</b>				
<i>Current</i>				
Prepayments	352	601	307	536
<b>Total prepayments</b>	<b>352</b>	<b>601</b>	<b>307</b>	<b>536</b>
<i>Non-current</i>				
Interest in Mildura Airport Pty Ltd	-	-	42,699	30,956
<b>Total</b>	<b>-</b>	<b>-</b>	<b>42,699</b>	<b>30,956</b>
<b>Total other assets</b>	<b>352</b>	<b>601</b>	<b>43,006</b>	<b>31,492</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 22. Property, infrastructure, plant and equipment**

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

**Consolidated**

	At Fair Value 30 June 2016	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Recognitions	Impairment	At Fair Value 30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	49,072	234	-	(1,250)	-	-	390	-	-	48,446
Buildings	109,422	4,341	-	(1,681)	(2,451)	(620)	4,307	-	-	113,318
Plant and equipment	47,495	3,013	-	-	(3,301)	(682)	57	-	-	46,582
Infrastructure	494,330	8,701	2,596	2,087	(13,792)	(1,132)	9,140	5,861	(455)	507,336
Work in progress	27,112	29,931	-	-	-	-	(13,954)	-	-	43,089
<b>Total</b>	<b>727,431</b>	<b>46,220</b>	<b>2,596</b>	<b>(844)</b>	<b>(19,544)</b>	<b>(2,434)</b>	<b>(60)</b>	<b>5,861</b>	<b>(455)</b>	<b>758,771</b>

**Summary of Work in Progress**

	Opening WIP	Acquisitions	Transfers	Write Offs	Closing WIP
Property	3,117	1,881	(4,697)	-	301
Plant and equipment	195	301	(117)	-	379
Infrastructure	23,800	27,749	(9,140)	-	42,409
<b>Total</b>	<b>27,112</b>	<b>29,931</b>	<b>(13,954)</b>	<b>-</b>	<b>43,089</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 22 Property, infrastructure, plant and equipment (cont)**

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

Council	AI Fair Value 30 June 2016 \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	Recognitions \$'000	Impairment \$'000	AI Fair Value 30 June 2017 \$'000
Land	48,936	234	-	(1,250)	-	-	390	-	-	48,310
Buildings	100,157	4,315	-	(1,681)	(2,245)	(620)	4,307	-	-	104,233
Plant and equipment	45,694	2,824	-	-	(3,032)	(666)	57	-	-	44,877
Infrastructure	476,148	8,595	2,596	2,087	(13,358)	(1,132)	9,140	5,861	(455)	489,482
Work in progress	26,769	10,218	-	-	-	-	(13,954)	-	-	23,033
<b>Total</b>	<b>697,704</b>	<b>26,186</b>	<b>2,596</b>	<b>(844)</b>	<b>(18,635)</b>	<b>(2,418)</b>	<b>(60)</b>	<b>5,861</b>	<b>(455)</b>	<b>709,935</b>

**Summary of Work in Progress**

	Opening WIP	Acquisitions	Transfers	Write Offs	Closing WIP
Property	3,257	1,850	(4,697)	-	410
Plant and equipment	195	301	(117)	-	379
Infrastructure	23,317	8,067	(9,140)	-	22,244
<b>Total</b>	<b>26,769</b>	<b>10,218</b>	<b>(13,954)</b>	<b>-</b>	<b>23,033</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2017	Specialised land \$'000	Non specialised land \$'000	Land under roads \$'000	Total Land \$'000	Non specialised buildings \$'000	Specialised buildings \$'000	Total Buildings \$'000	Work in progress \$'000	Total Property \$'000
At fair value 1 July 2016	38,265	10,313	494	49,072	8,609	203,753	212,362	3,117	264,551
Accumulated depreciation at 1 July 2016	-	-	-	-	(3,980)	(98,960)	(102,940)	-	(102,940)
	<b>38,265</b>	<b>10,313</b>	<b>494</b>	<b>49,072</b>	<b>4,629</b>	<b>104,793</b>	<b>109,422</b>	<b>3,117</b>	<b>161,611</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	-	234	-	234	3,769	572	4,341	1,881	6,456
Revaluation increments/(decrements)	(1,294)	33	11	(1,250)	575	(505)	70	-	(1,180)
Fair value of assets disposed	-	-	-	-	-	(2,461)	(2,461)	-	(2,461)
Transfers	-	390	-	390	672	3,635	4,307	(4,697)	-
	<b>(1,294)</b>	<b>657</b>	<b>11</b>	<b>(626)</b>	<b>5,016</b>	<b>1,241</b>	<b>6,257</b>	<b>(2,816)</b>	<b>2,815</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	-	(121)	(2,330)	(2,451)	-	(2,451)
Revaluation increments/(decrements)	-	-	-	-	315	(2,066)	(1,751)	-	(1,751)
Accumulated depreciation of disposals	-	-	-	-	-	1,841	1,841	-	1,841
	-	-	-	-	<b>194</b>	<b>(2,555)</b>	<b>(2,361)</b>	-	<b>(2,361)</b>
At fair value 30 June 2017	36,971	10,970	505	48,446	13,625	204,994	218,619	301	267,366
Accumulated depreciation at 30 June 2017	-	-	-	-	(3,786)	(101,515)	(105,301)	-	(105,301)
	<b>36,971</b>	<b>10,970</b>	<b>505</b>	<b>48,446</b>	<b>9,839</b>	<b>103,479</b>	<b>113,318</b>	<b>301</b>	<b>162,065</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2017	Plant and equipment \$'000	Plant and equipment (leased) \$'000	Fixtures, fittings and furniture (leased) \$'000	Fixtures, fittings and furniture \$'000	Artwork \$'000	Library books \$'000	Total plant and equipment \$'000	Work in progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2016	31,816	197	2,845	1,240	27,607	3,707	67,412	195	67,607
Accumulated depreciation at 1 July 2016	(14,713)	(197)	(1,443)	(1,240)	-	(2,324)	(19,917)	-	(19,917)
	<b>17,103</b>	-	<b>1,402</b>	-	<b>27,607</b>	<b>1,383</b>	<b>47,495</b>	<b>195</b>	<b>47,690</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	2,395	-	324	-	41	253	3,013	301	3,314
Fair value of assets disposed	(1,788)	-	(12)	(765)	-	-	(2,565)	-	(2,565)
Transfers	57	-	-	-	-	-	57	(117)	(60)
	<b>664</b>	-	<b>312</b>	<b>(765)</b>	<b>41</b>	<b>253</b>	<b>505</b>	<b>184</b>	<b>689</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(2,646)	-	(420)	-	-	(236)	(3,301)	-	(3,301)
Accumulated depreciation of disposals	1,107	-	11	765	-	-	1,883	-	1,883
	<b>(1,538)</b>	-	<b>(409)</b>	<b>765</b>	-	<b>(236)</b>	<b>(1,418)</b>	-	<b>(1,418)</b>
At fair value 30 June 2017	32,480	197	3,157	475	27,648	3,960	67,917	379	68,296
Accumulated depreciation at 30 June 2017	(16,251)	(197)	(1,852)	(475)	-	(2,560)	(21,335)	-	(21,335)
	<b>16,229</b>	-	<b>1,305</b>	-	<b>27,648</b>	<b>1,400</b>	<b>46,582</b>	<b>379</b>	<b>46,961</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2017 Infrastructure	Roads	Kerb and channel	Footpaths and cycleways	Total Roads	Work in progress	Total Roads
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016	401,701	59,585	40,586	501,862	3,930	505,792
Accumulated depreciation at 1 July 2016	(154,222)	(37,865)	(25,131)	(217,218)	-	(217,218)
	<b>247,479</b>	<b>21,700</b>	<b>15,455</b>	<b>284,644</b>	<b>3,930</b>	<b>288,574</b>
<b>Movements in fair value</b>						
Acquisition of assets at fair value	4,078	79	1,317	5,474	4,994	10,468
Revaluation increments/decrements	12,607	(855)	2,600	14,352	-	14,352
Contributions by developer	1,073	330	297	1,700	-	1,700
Fair value of assets disposed	(5,974)	(680)	(18)	(6,672)	-	(6,672)
Recognition of assets at fair value	-	-	922	922	-	922
Transfers	1,125	694	946	2,765	(2,765)	-
	<b>12,909</b>	<b>(432)</b>	<b>6,064</b>	<b>18,541</b>	<b>2,229</b>	<b>20,770</b>
<b>Movements in accumulated depreciation</b>						
Depreciation	(6,943)	(932)	(750)	(8,625)	-	(8,625)
Revaluation increments/(decrements)	(7,827)	129	(2,256)	(9,954)	-	(9,954)
Accumulated depreciation of disposals	5,628	515	6	6,149	-	6,149
Recognition of assets at fair value	-	-	(454)	(454)	-	(454)
Impairment	(455)	-	-	(455)	-	(455)
	<b>(9,597)</b>	<b>(288)</b>	<b>(3,454)</b>	<b>(13,339)</b>	<b>-</b>	<b>(13,339)</b>
At fair value 30 June 2017	414,610	59,133	46,680	520,403	6,159	526,562
Accumulated depreciation at 30 June 2017	(163,819)	(38,153)	(28,585)	(230,557)	-	(230,557)
	<b>250,791</b>	<b>20,980</b>	<b>18,075</b>	<b>289,846</b>	<b>6,159</b>	<b>296,005</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2017	Drainage	Waste management	Aerodromes	Recreational, leisure and community	Parks, open spaces and streetscapes	Off street carparks	Total Infrastructure	Work in progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016	127,395	13,695	17,860	59,173	14,014	17,794	249,931	19,870	269,801
Accumulated depreciation at 1 July 2016	(23,029)	(1,803)	(2,373)	(7,807)	(1,344)	(3,888)	(40,245)	-	(40,245)
	<b>104,366</b>	<b>11,892</b>	<b>15,487</b>	<b>51,366</b>	<b>12,670</b>	<b>13,905</b>	<b>209,686</b>	<b>19,870</b>	<b>229,556</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	1,057	-	73	698	1,379	20	3,227	22,755	25,982
Revaluation increments/decrements	8,973	31	-	(5,535)	(5,817)	91	(2,257)	-	(2,257)
Contributions by developer	896	-	-	-	-	-	896	-	896
Fair value of assets disposed	(110)	(498)	-	(2,177)	(25)	-	(2,810)	-	(2,810)
Recognition of assets at fair value	5,393	-	-	-	-	-	5,393	-	5,393
Transfers	1,120	-	-	331	4,738	186	6,375	(6,375)	-
	<b>17,329</b>	<b>(467)</b>	<b>73</b>	<b>(6,683)</b>	<b>275</b>	<b>297</b>	<b>10,824</b>	<b>16,380</b>	<b>27,204</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(974)	(417)	(343)	(2,529)	(284)	(620)	(5,167)	-	(5,167)
Accumulated depreciation of disposals	19	5	-	2,177	-	-	2,201	-	2,201
Revaluation increments/decrements	(295)	42	-	367	755	(923)	(54)	-	(54)
	<b>(1,250)</b>	<b>(370)</b>	<b>(343)</b>	<b>15</b>	<b>471</b>	<b>(1,548)</b>	<b>(3,020)</b>	<b>-</b>	<b>(3,020)</b>
At fair value 30 June 2017	144,724	13,228	17,933	52,490	14,289	18,091	260,755	36,250	297,005
Accumulated depreciation at 30 June 2017	(24,279)	(2,173)	(2,716)	(7,792)	(873)	(5,432)	(43,265)	-	(43,265)
	<b>120,445</b>	<b>11,055</b>	<b>15,217</b>	<b>44,698</b>	<b>13,416</b>	<b>12,659</b>	<b>217,490</b>	<b>36,250</b>	<b>253,740</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council	Specialised land \$'000	Non specialised land \$'000	Land under roads \$'000	Total Land \$'000	Non specialised buildings \$'000	Specialised buildings \$'000	Total Buildings \$'000	Work in progress \$'000	Total Property \$'000
<b>2017</b>									
Property									
At fair value 1 July 16	38,265	10,177	494	48,936	7,983	194,291	202,274	3,257	254,467
Accumulated depreciation at 1 July 2016	-	-	-	-	(3,789)	(98,328)	(102,117)	-	(102,117)
	<b>38,265</b>	<b>10,177</b>	<b>494</b>	<b>48,936</b>	<b>4,194</b>	<b>95,963</b>	<b>100,157</b>	<b>3,257</b>	<b>152,350</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	-	234	-	234	3,769	546	4,315	1,850	6,399
Revaluation increments/(decrements)	(1,294)	33	11	(1,250)	575	(505)	70	-	(1,180)
Fair value of assets disposed	-	-	-	-	-	(2,461)	(2,461)	-	(2,461)
Transfers	-	390	-	390	672	3,635	4,307	(4,697)	-
	<b>(1,294)</b>	<b>657</b>	<b>11</b>	<b>(626)</b>	<b>5,016</b>	<b>1,215</b>	<b>6,231</b>	<b>(2,847)</b>	<b>2,758</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	-	(78)	(2,167)	(2,245)	-	(2,245)
Revaluation increments/(decrements)	-	-	-	-	315	(2,066)	(1,751)	-	(1,751)
Accumulated depreciation of disposals	-	-	-	-	-	1,841	1,841	-	1,841
	-	-	-	-	<b>237</b>	<b>(2,392)</b>	<b>(2,155)</b>	-	<b>(2,155)</b>
At fair value 30 June 17	36,971	10,834	505	48,310	12,999	195,506	208,505	410	257,225
Accumulated depreciation at 30 June 2017	-	-	-	-	(3,552)	(100,720)	(104,272)	-	(104,272)
	<b>36,971</b>	<b>10,834</b>	<b>505</b>	<b>48,310</b>	<b>9,447</b>	<b>94,786</b>	<b>104,233</b>	<b>410</b>	<b>152,953</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

	Plant and equipment \$'000	Plant and equipment (leased) \$'000	Fixtures, fittings and furniture \$'000	Fixtures, fittings and furniture (leased) \$'000	Artwork \$'000	Library books \$'000	Total plant and equipment \$'000	Work in progress \$'000	Total plant and equipment \$'000
<b>2017</b>									
<b>Plant and equipment</b>									
At fair value 1 July 2016	28,918	-	2,772	1,240	27,607	3,707	64,244	195	64,439
Accumulated depreciation at 1 July 2016	(13,579)	-	(1,407)	(1,240)	-	(2,324)	(18,550)	-	(18,550)
	<b>15,339</b>	<b>-</b>	<b>1,365</b>	<b>-</b>	<b>27,607</b>	<b>1,383</b>	<b>45,694</b>	<b>195</b>	<b>45,889</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	2,315	-	215	-	41	253	2,824	301	3,125
Fair value of assets disposed	(1,742)	-	-	(765)	-	-	(2,507)	-	(2,507)
Transfers	57	-	-	-	-	-	57	(117)	(60)
	<b>630</b>	<b>-</b>	<b>215</b>	<b>(765)</b>	<b>41</b>	<b>253</b>	<b>374</b>	<b>184</b>	<b>558</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(2,420)	-	(376)	-	-	(236)	(3,032)	-	(3,032)
Accumulated depreciation of disposals	1,076	-	-	765	-	-	1,841	-	1,841
	<b>(1,344)</b>	<b>-</b>	<b>(376)</b>	<b>765</b>	<b>-</b>	<b>(236)</b>	<b>(1,191)</b>	<b>-</b>	<b>(1,191)</b>
At fair value 30 June 2017	29,548	-	2,987	475	27,648	3,960	64,618	379	64,997
Accumulated depreciation at 30 June 2017	(14,923)	-	(1,783)	(475)	-	(2,560)	(19,741)	-	(19,741)
	<b>14,625</b>	<b>-</b>	<b>1,204</b>	<b>-</b>	<b>27,648</b>	<b>1,400</b>	<b>44,877</b>	<b>379</b>	<b>45,256</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

	Roads \$'000	Kerb and channel \$'000	Footpaths and cycleways \$'000	Total Roads \$'000	Work in progress \$'000	Total Roads \$'000
<b>Infrastructure</b>						
At fair value 1 July 2016	401,701	59,565	40,596	501,862	3,930	505,792
Accumulated depreciation at 1 July 2016	(154,222)	(37,865)	(25,131)	(217,218)	-	(217,218)
	<b>247,479</b>	<b>21,700</b>	<b>15,465</b>	<b>284,644</b>	<b>3,930</b>	<b>288,574</b>
<b>Movements in fair value</b>						
Acquisition of assets at fair value	4,078	79	1,317	5,474	4,994	10,468
Revaluation increments/(decrements)	12,607	(855)	2,600	14,352	-	14,352
Contributions by developer	1,073	330	297	1,700	-	1,700
Fair value of assets disposed	(5,974)	(680)	(18)	(6,672)	-	(6,672)
Recognition of assets at fair value	-	-	922	922	-	922
Transfers	1,125	694	946	2,765	(2,765)	-
	<b>12,909</b>	<b>(432)</b>	<b>6,064</b>	<b>18,541</b>	<b>2,229</b>	<b>20,770</b>

**Movements in accumulated depreciation**

Depreciation	(6,943)	(832)	(750)	(8,525)	-	(8,525)
Revaluation increments/(decrements)	(7,827)	129	(2,256)	(9,954)	-	(9,954)
Accumulated depreciation of disposals	5,628	515	6	6,149	-	6,149
Recognition of assets at fair value	-	-	(454)	(454)	-	(454)
Impairment	(455)	-	-	(455)	-	(455)
	<b>(9,597)</b>	<b>(288)</b>	<b>(3,454)</b>	<b>(13,339)</b>	<b>-</b>	<b>(13,339)</b>
At fair value 30 June 2017	414,610	59,133	46,660	520,403	6,159	526,562
Accumulated depreciation at 30 June 2017	(163,819)	(38,153)	(28,585)	(230,557)	-	(230,557)
	<b>250,791</b>	<b>20,980</b>	<b>18,075</b>	<b>289,846</b>	<b>6,159</b>	<b>296,005</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

2017	Infrastructure	Drainage management \$'000	Waste management \$'000	Aerodromes \$'000	Recreational, Parks, open leisure and spaces and community streetscapes		Off street car parks \$'000	Total Infrastructure \$'000	Work in progress \$'000	Total Infrastructure \$'000
					\$'000	\$'000				
		126,933	13,695	-	58,905	13,681	15,422	228,636	19,387	248,023
		(22,958)	(1,803)	-	(7,741)	(1,168)	(3,462)	(37,132)	-	(37,132)
		<b>103,975</b>	<b>11,892</b>	-	<b>51,164</b>	<b>12,513</b>	<b>11,960</b>	<b>191,504</b>	<b>19,387</b>	<b>210,891</b>
	<b>Movements in fair value</b>									
	Acquisition of assets at fair value	1,057	-	-	698	1,346	20	3,121	3,073	6,194
	Revaluation increments/(decrements)	8,973	31	-	(5,535)	(5,817)	91	(2,257)	-	(2,257)
	Contributions by developer	896	-	-	-	-	-	896	-	896
	Fair value of assets disposed	(110)	(495)	-	(2,177)	(25)	-	(2,810)	-	(2,810)
	Recognition of assets at fair value	5,393	-	-	-	-	-	5,393	-	5,393
	Transfers	1,120	-	-	331	4,738	186	6,375	(6,375)	-
		<b>17,329</b>	<b>(467)</b>	-	<b>(6,683)</b>	<b>242</b>	<b>297</b>	<b>10,718</b>	<b>(3,302)</b>	<b>7,416</b>
	<b>Movements in accumulated depreciation</b>									
	Depreciation	(974)	(417)	-	(2,529)	(261)	(552)	(4,733)	-	(4,733)
	Accumulated depreciation of disposals	19	5	-	2,177	-	-	2,201	-	2,201
	Revaluation increments/decrements	(295)	42	-	367	755	(923)	(54)	-	(54)
		<b>(1,250)</b>	<b>(370)</b>	-	<b>15</b>	<b>494</b>	<b>(1,475)</b>	<b>(2,586)</b>	-	<b>(2,586)</b>
	At fair value 30 June 2017	144,262	13,228	-	52,222	13,923	15,719	239,354	16,085	255,439
	Accumulated depreciation at 30 June 2017	(24,208)	(2,173)	-	(7,726)	(674)	(4,937)	(39,718)	-	(39,718)
		<b>120,054</b>	<b>11,055</b>	-	<b>44,496</b>	<b>13,249</b>	<b>10,782</b>	<b>199,636</b>	<b>16,085</b>	<b>215,721</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2016 Property	Specialised land \$'000	Non specialised land \$'000	Land under roads \$'000	Total Land \$'000	Non specialised buildings \$'000	Specialised buildings \$'000	Total Buildings \$'000	Work in progress \$'000	Total Property \$'000
At fair value 1 July 15	38,270	10,177	406	48,853	7,952	202,872	210,824	665	260,342
Accumulated depreciation at 1 July 2015	-	-	-	-	(3,697)	(97,100)	(100,797)	-	(100,797)
	<b>38,270</b>	<b>10,177</b>	<b>406</b>	<b>48,853</b>	<b>4,255</b>	<b>105,772</b>	<b>110,027</b>	<b>665</b>	<b>159,545</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	-	136	-	136	132	985	1,117	3,214	4,467
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Contributions by developer	-	-	88	88	-	-	-	-	88
Fair value of assets disposed	(5)	-	-	(5)	-	(341)	(341)	-	(346)
Transfers	-	-	-	-	525	237	762	(762)	-
	<b>(5)</b>	<b>136</b>	<b>88</b>	<b>219</b>	<b>657</b>	<b>881</b>	<b>1,538</b>	<b>2,452</b>	<b>4,209</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	-	(283)	(2,162)	(2,445)	-	(2,445)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	302	302	-	302
	-	-	-	-	<b>(283)</b>	<b>(1,860)</b>	<b>(2,143)</b>	-	<b>(2,143)</b>
At fair value 30 June 2016	38,265	10,313	494	49,072	8,609	203,753	212,362	3,117	264,551
Accumulated depreciation at 30 June 2016	-	-	-	-	(3,980)	(98,960)	(102,940)	-	(102,940)
	<b>38,265</b>	<b>10,313</b>	<b>494</b>	<b>49,072</b>	<b>4,629</b>	<b>104,793</b>	<b>109,422</b>	<b>3,117</b>	<b>161,611</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2016	Plant and equipment \$'000	Plant and equipment (leased) \$'000	Fixtures, fittings and furniture \$'000	Fixtures, fittings and furniture (leased) \$'000	Artwork \$'000	Library books \$'000	Total plant and equipment \$'000	Work in progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2015	30,929	197	4,080	1,240	27,581	3,425	67,452	175	67,627
Accumulated depreciation at 1 July 2015	(13,944)	(197)	(2,947)	(1,240)	-	(2,128)	(20,456)	-	(20,456)
	<b>16,985</b>	-	<b>1,133</b>	-	<b>27,581</b>	<b>1,297</b>	<b>46,996</b>	<b>175</b>	<b>47,171</b>

Movements in fair value

Acquisition of assets at fair value	3,305	-	472	-	26	259	4,062	178	4,240
Revaluation increments/decrements	-	-	-	-	-	-	-	-	-
Fair value of assets disposed	(2,443)	-	(1,817)	-	-	-	(4,260)	-	(4,260)
Transfers to Intangible Assets	-	-	-	-	-	-	-	-	-
Transfers	25	-	110	-	-	23	158	(158)	-
	<b>887</b>	-	<b>(1,235)</b>	-	<b>26</b>	<b>282</b>	<b>(40)</b>	<b>20</b>	<b>(20)</b>

Movements in accumulated depreciation

Depreciation	(2,591)	-	(305)	-	-	(196)	(3,092)	-	(3,092)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	1,822	-	1,809	-	-	-	3,631	-	3,631
	<b>(769)</b>	-	<b>1,504</b>	-	-	<b>(196)</b>	<b>539</b>	-	<b>539</b>

At fair value 30 June 2016  
Accumulated depreciation at 30 June 2016

	31,816	197	2,845	1,240	27,607	3,707	67,412	195	67,607
	(14,713)	(197)	(1,443)	(1,240)	-	(2,324)	(19,917)	-	(19,917)
	<b>17,103</b>	-	<b>1,402</b>	-	<b>27,607</b>	<b>1,383</b>	<b>47,495</b>	<b>195</b>	<b>47,690</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2016	Roads \$'000	Kerb and channel \$'000	Footpaths and cycleways		Work in progress \$'000	Total Roads \$'000
			\$'000	\$'000		
<b>Infrastructure</b>						
At fair value 1 July 2015	394,292	56,087	39,143	489,522	553	490,075
Accumulated depreciation at 1 July 2015	(149,652)	(34,078)	(25,968)	(209,698)	-	(209,698)
	<b>244,640</b>	<b>22,009</b>	<b>13,175</b>	<b>279,824</b>	<b>553</b>	<b>280,377</b>
<b>Movements in fair value</b>						
Acquisition of assets at fair value	6,715	699	342	7,756	3,928	11,684
Revaluation increments/decrements	6,006	2,488	152	8,626	-	8,626
Contributions by developer	1,459	689	416	2,574	-	2,574
Fair value of assets disposed	(7,126)	(536)	(431)	(8,093)	-	(8,093)
Impairment losses recognised in operating result	-	-	858	858	-	858
Transfers	355	148	116	619	(551)	68
	<b>7,409</b>	<b>3,478</b>	<b>1,453</b>	<b>12,340</b>	<b>3,377</b>	<b>15,717</b>
<b>Movements in accumulated depreciation</b>						
Depreciation	(6,624)	(901)	(663)	(8,188)	-	(8,188)
Revaluation increments/(decrements)	(2,925)	(3,018)	1,673	(4,270)	-	(4,270)
Accumulated depreciation of disposals	4,979	132	143	5,254	-	5,254
Recognition of assets at fair value	-	-	(286)	(286)	-	(286)
Transfers	-	-	(30)	(30)	-	(30)
	<b>(4,570)</b>	<b>(3,787)</b>	<b>837</b>	<b>(7,520)</b>	<b>-</b>	<b>(7,520)</b>
At fair value 30 June 2016	401,701	59,565	40,596	501,862	3,930	505,792
Accumulated depreciation at 30 June 2016	(154,222)	(37,865)	(25,131)	(217,218)	-	(217,218)
	<b>247,479</b>	<b>21,700</b>	<b>15,465</b>	<b>284,644</b>	<b>3,930</b>	<b>288,574</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2016	Drainage management \$'000	Waste management \$'000	Aerodromes \$'000	Recreational, leisure and community \$'000	Parks, open spaces and streetscapes \$'000	Off street carparks \$'000	Total Infrastructure \$'000	Work in progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2015	128,359	8,463	17,860	58,472	12,707	16,695	242,556	14,981	257,547
Accumulated depreciation at 1 July 2015	(29,790)	(1,583)	(2,043)	(19,746)	(2,482)	(3,645)	(59,289)	-	(59,289)
	<b>98,569</b>	<b>6,880</b>	<b>15,817</b>	<b>38,726</b>	<b>10,225</b>	<b>13,050</b>	<b>183,267</b>	<b>14,981</b>	<b>198,258</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	390	10	-	587	363	288	1,638	5,660	7,298
Revaluation increments/decrements	200	4	-	98	498	480	1,280	-	1,280
Contributions by developer	1,535	-	-	-	-	-	1,535	-	1,535
Fair value of assets disposed	(3,142)	-	-	(414)	(38)	(65)	(3,659)	-	(3,659)
Transfers from provision	-	5,218	-	-	-	-	5,218	-	5,218
Recognition of assets at fair value	-	-	-	267	-	383	650	-	650
Transfers	53	-	-	163	484	13	713	(781)	(68)
	<b>(964)</b>	<b>5,232</b>	<b>-</b>	<b>701</b>	<b>1,307</b>	<b>1,099</b>	<b>7,375</b>	<b>4,879</b>	<b>12,254</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(966)	(265)	(330)	(2,533)	(277)	(585)	(4,956)	-	(4,956)
Accumulated depreciation of disposals	785	-	-	-	11	15	821	-	821
Revaluation increments/decrements	6,932	45	-	14,472	1,374	404	23,227	-	23,227
Impairment losses recognised in operating result	-	-	-	-	-	(78)	(78)	-	(78)
Transfers	-	-	-	-	30	-	30	-	30
	<b>6,761</b>	<b>(220)</b>	<b>(330)</b>	<b>11,939</b>	<b>1,138</b>	<b>(244)</b>	<b>19,044</b>	<b>-</b>	<b>19,044</b>
At fair value 30 June 2016	127,395	13,695	17,860	59,173	14,014	17,794	249,931	19,870	269,801
Accumulated depreciation at 30 June 2016	(23,029)	(1,803)	(2,373)	(7,807)	(1,344)	(3,889)	(40,245)	-	(40,245)
	<b>104,366</b>	<b>11,892</b>	<b>15,487</b>	<b>51,366</b>	<b>12,670</b>	<b>13,905</b>	<b>209,686</b>	<b>19,870</b>	<b>229,556</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council	Specialised land \$'000	Non specialised land \$'000	Land under roads \$'000	Total Land \$'000	Non specialised buildings \$'000	Specialised buildings \$'000	Total Buildings \$'000	Work in progress \$'000	Total Property \$'000
<b>2016 Property</b>									
At fair value 1 July 2015	38,270	10,177	406	48,853	7,952	193,410	201,362	601	250,816
Accumulated depreciation at 1 July 2015	-	-	-	-	(3,697)	(96,468)	(100,165)	-	(100,165)
	<b>38,270</b>	<b>10,177</b>	<b>406</b>	<b>48,853</b>	<b>4,255</b>	<b>96,942</b>	<b>101,197</b>	<b>601</b>	<b>150,651</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	-	-	-	-	29	985	1,014	2,895	3,909
Contributions by developer	-	-	88	88	-	-	-	-	88
Fair value of assets disposed	(5)	-	-	(5)	-	(341)	(341)	-	(346)
Transfers	-	-	-	-	2	237	239	(239)	-
	<b>(5)</b>	<b>-</b>	<b>88</b>	<b>83</b>	<b>31</b>	<b>881</b>	<b>912</b>	<b>2,656</b>	<b>3,651</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	-	(92)	(2,162)	(2,254)	-	(2,254)
Accumulated depreciation of disposals	-	-	-	-	-	302	302	-	302
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(92)</b>	<b>(1,860)</b>	<b>(1,952)</b>	<b>-</b>	<b>(1,952)</b>
At fair value 30 June 2016	38,265	10,177	494	48,936	7,983	194,291	202,274	3,257	254,467
Accumulated depreciation at 30 June 2016	-	-	-	-	(3,769)	(98,328)	(102,117)	-	(102,117)
	<b>38,265</b>	<b>10,177</b>	<b>494</b>	<b>48,936</b>	<b>4,194</b>	<b>95,963</b>	<b>100,157</b>	<b>3,257</b>	<b>152,350</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

2016	Plant and equipment \$'000	Plant and equipment (leased) \$'000	Fixtures, fittings and furniture \$'000	Fixtures, fittings and furniture (leased) \$'000	Artwork \$'000	Library books \$'000	Total plant and equipment \$'000	Work in progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2015	28,103	-	4,080	1,240	27,581	3,425	64,429	175	64,604
Accumulated depreciation at 1 July 2015	(13,048)	-	(2,947)	(1,240)	-	(2,128)	(19,363)	-	(19,363)
	<b>15,055</b>	<b>-</b>	<b>1,133</b>	<b>-</b>	<b>27,581</b>	<b>1,297</b>	<b>45,066</b>	<b>175</b>	<b>45,241</b>

Movements in fair value

Acquisition of assets at fair value	3,233	-	399	-	26	259	3,917	178	4,095
Fair value of assets disposed	(2,443)	-	(1,817)	-	-	-	(4,260)	-	(4,260)
Transfers	25	-	110	-	-	23	158	(158)	-
	<b>815</b>	<b>-</b>	<b>(1,308)</b>	<b>-</b>	<b>26</b>	<b>282</b>	<b>(185)</b>	<b>20</b>	<b>(165)</b>

Movements in accumulated depreciation

Depreciation	(2,353)	-	(269)	-	-	(196)	(2,818)	-	(2,818)
Accumulated depreciation of disposals	1,822	-	1,809	-	-	-	3,631	-	3,631
	<b>(531)</b>	<b>-</b>	<b>1,540</b>	<b>-</b>	<b>-</b>	<b>(196)</b>	<b>813</b>	<b>-</b>	<b>813</b>

At fair value 30 June 2016

At fair value 30 June 2016	28,918	-	2,772	1,240	27,607	3,707	64,244	195	64,439
Accumulated depreciation at 30 June 2016	(13,579)	-	(1,407)	(1,240)	-	(2,324)	(18,550)	-	(18,550)
	<b>15,339</b>	<b>-</b>	<b>1,365</b>	<b>-</b>	<b>27,607</b>	<b>1,383</b>	<b>45,694</b>	<b>195</b>	<b>45,889</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council	Roads \$'000	Kerb and channel \$'000	Footpaths and cycleways \$'000	Total Roads \$'000	Work in progress \$'000	Total Roads \$'000
<b>2016</b>						
<b>Infrastructure</b>						
At fair value 1 July 2015	394,292	56,087	39,143	489,522	553	490,075
Accumulated depreciation at 1 July 2015	(149,652)	(34,078)	(25,968)	(209,698)	-	(209,698)
	<b>244,640</b>	<b>22,009</b>	<b>13,175</b>	<b>279,824</b>	<b>553</b>	<b>280,377</b>
<b>Movements in fair value</b>						
Acquisition of assets at fair value	6,715	699	342	7,756	3,928	11,684
Revaluation increments/(decrements)	6,006	2,468	152	8,626	-	8,626
Contributions by developer	1,459	699	416	2,574	-	2,574
Fair value of assets disposed	(7,126)	(536)	(431)	(8,093)	-	(8,093)
Recognition of assets at fair value	-	-	858	858	-	858
Transfers	355	148	116	619	(551)	68
	<b>7,409</b>	<b>3,478</b>	<b>1,453</b>	<b>12,340</b>	<b>3,377</b>	<b>15,717</b>
<b>Movements in accumulated depreciation</b>						
Depreciation	(6,624)	(901)	(663)	(8,188)	-	(8,188)
Revaluation increments/(decrements)	(2,925)	(3,018)	1,673	(4,270)	-	(4,270)
Accumulated depreciation of disposals	4,979	132	143	5,254	-	5,254
Recognition of assets at fair value	-	-	(286)	(286)	-	(286)
Transfers	-	-	(30)	(30)	-	(30)
	<b>(4,570)</b>	<b>(3,787)</b>	<b>837</b>	<b>(7,520)</b>	<b>-</b>	<b>(7,520)</b>
At fair value 30 June 2016	401,701	59,565	40,596	501,862	3,930	505,792
Accumulated depreciation at 30 June 2016	(154,222)	(37,865)	(25,131)	(217,218)	-	(217,218)
	<b>247,479</b>	<b>21,700</b>	<b>15,465</b>	<b>284,644</b>	<b>3,930</b>	<b>288,574</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council	Drainage management \$'000	Waste management \$'000	Aerodromes \$'000	Recreational, Parks, open leisure and community steelscapes \$'000	Off street carpaiks \$'000	Total Infrastructure \$'000	Work in progress \$'000	Total Infrastructure \$'000
<b>2016</b>								
<b>Infrastructure</b>								
At fair value 1 July 2015	127,897	8,463	-	58,204	12,374	14,440	14,508	235,886
Accumulated depreciation at 1 July 2015	(29,729)	(1,583)	-	(19,704)	(2,317)	(3,289)	-	(56,622)
	<b>98,168</b>	<b>6,880</b>	-	<b>38,500</b>	<b>10,057</b>	<b>11,151</b>	<b>14,508</b>	<b>179,264</b>
<b>Movements in fair value</b>								
Acquisition of assets at fair value	390	10	-	587	363	171	5,660	7,181
Revaluation increments/(decrements)	200	4	-	98	498	480	-	1,280
Contributions by developer	1,535	-	-	-	-	-	-	1,535
Fair value of assets disposed	(3,142)	-	-	(414)	(38)	(65)	-	(3,659)
Asset movement reflected in landfill provision	-	5,218	-	-	-	-	-	5,218
Recognition of assets at fair value	-	-	-	267	-	383	-	650
Transfers	53	-	-	163	484	13	(781)	(68)
	<b>(964)</b>	<b>5,232</b>	-	<b>701</b>	<b>1,307</b>	<b>982</b>	<b>4,879</b>	<b>12,137</b>
<b>Movements in accumulated depreciation</b>								
Depreciation	(956)	(265)	-	(2,509)	(266)	(514)	-	(4,510)
Accumulated depreciation of disposals	795	-	-	-	11	15	-	821
Revaluation increments/decrements	6,932	45	-	14,472	1,374	404	-	23,227
Recognition of assets at fair value	-	-	-	-	-	(78)	-	(78)
Transfers	-	-	-	-	30	-	-	30
	<b>6,771</b>	<b>(220)</b>	-	<b>11,963</b>	<b>1,149</b>	<b>(173)</b>	-	<b>19,490</b>
At fair value 30 June 2016	126,933	13,695	-	58,905	13,681	15,422	19,387	248,023
Accumulated depreciation at 30 June 2016	(22,958)	(1,803)	-	(7,741)	(1,168)	(3,462)	-	(37,132)
	<b>103,975</b>	<b>11,892</b>	-	<b>51,164</b>	<b>12,513</b>	<b>11,960</b>	<b>19,387</b>	<b>210,891</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 22 Property, infrastructure, plant and equipment (cont)**

*Valuation of land and buildings*

A valuation of Council's land and buildings was performed 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 the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3	DoV
Land	-	10,834	37,476	Dec 2016
Buildings	-	9,447	94,786	Dec 2016
Total	-	20,281	132,262	

*Valuation of infrastructure*

Valuation of infrastructure assets has been undertaken by Danny Barnes, (B Env Mgmt.) (Council Officer)

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
roads	-	-	250,791	June 2017
kerb and channel	-	-	20,980	June 2017
footpaths and cycleways	-	-	18,075	June 2017
drainage	-	-	120,054	June 2017
waste management	-	-	11,055	June 2017
recreational, leisure and community	-	-	44,496	June 2017
parks, open spaces and streetscapes	-	-	13,249	June 2017
off street carparks	-	-	10,782	June 2017

**Notes to the Financial Report**  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

	2017 \$'000	2016 \$'000
<i>Description of significant unobservable inputs into level 3 valuations</i>		
<b>Specialised land and land under roads</b> 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.	37,476	38,759
<b>Specialised buildings</b> 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 is calculated on a square metre basis and ranges from \$66 to \$6184 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.	94,786	95,963
<b>Infrastructure assets</b> 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 asses 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.	489,482	476,148
<b>Reconciliation of specialised land</b>		
Land under roads	505	494
Land	36,971	38,265
<b>Total specialised land</b>	<b>37,476</b>	<b>38,759</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 23 Intangible assets</b>				
Software at cost	801	1,014	801	1,014
<b>Intangible assets software</b>				
Opening work in progress	77	-	77	-
Transfers in	181	77	181	77
Transfers out	-	-	-	-
Closing work in progress	258	77	258	77
Water rights - at valuation 30/06/15	-	-	-	-
Water rights - at valuation 30/06/16	-	5,199	-	5,138
Water rights - at valuation 30/06/17	5,063	-	5,006	-
<b>Total intangible assets</b>	<b>6,122</b>	<b>6,290</b>	<b>6,065</b>	<b>6,229</b>
<b>Gross carrying amount</b>				
Balance at 1 July 2015	-	6,072	-	6,027
Additions	-	77	-	77
Other	-	974	-	958
Balance at 1 July 2016	7,123	7,123	7,062	7,062
Additions	181	-	181	-
Revaluation increment/(decrement)	(135)	-	(131)	-
Balance at 30 June 2017	<b>7,169</b>	<b>7,123</b>	<b>7,112</b>	<b>7,062</b>
<b>Accumulated amortisation and impairment</b>				
Balance at 1 July 2015	-	618	-	618
Amortisation expense	-	215	-	215
Balance at 1 July 2016	833	833	833	833
Amortisation expense	214	-	214	-
Balance at 30 June 2017	<b>1,047</b>	<b>833</b>	<b>1,047</b>	<b>833</b>
Net book value at 30 June 2017	<b>6,122</b>	<b>6,290</b>	<b>6,065</b>	<b>6,229</b>

Details of the Mildura Rural City Council's Water Rights; and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Water rights	-	5,006	-
<b>Total</b>	<b>-</b>	<b>5,006</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 2016 and as at 30 June 2017.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 24 Trade and other payables</b>				
Trade payables	4,287	4,444	6,810	4,289
Accrued expenses	8,219	1,460	999	1,367
<b>Total trade and other payables</b>	<b>12,506</b>	<b>5,904</b>	<b>7,809</b>	<b>5,656</b>

**Note 25 Trust funds and deposits**

Refundable contract deposits	108	103	108	103
Fire service levy	437	733	437	733
Refundable civic facilities deposits	4	2	4	2
Retention amounts	138	382	138	382
Income received in advance	8	9	-	-
Other refundable deposits	986	747	986	747
<b>Total trust funds and deposits</b>	<b>1,681</b>	<b>1,976</b>	<b>1,673</b>	<b>1,967</b>

**Purpose and nature of items**

**Refundable contract deposits**

Footpath retention

Retentions collected from private contractors where damage may occur to a Council owned footpath.

**Refundable civic facilities deposits**

Facility hire bonds

Bonds collected from persons for a booking for the use of a facility which is owned by Council.

**Retention amounts**

Other retention funds

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

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

	Consolidated	Council
<b>Note 25 Trust funds and deposits (cont)</b>		
<b>Fire service levy</b>		
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.
<b>Other refundable deposits</b>		
Security deposits		Deposits levied against private contractors where damage could occur to a Council owned asset.
Planning bonds		Bonds collected from developers for statement of compliance but works are incomplete. Refunded when all works are completed.
Trust funds		Funds held in trust for private drainage works.
Purchase recoups		Monies collected on behalf of other entities for payment of accounts received by Council.
Building permit levies		Levies collected on behalf of the Building Commission.
EPA levy		Levies collected on behalf of the Environment Protection Authority.
Roden White Kilburn Trust		Monies trusted to Rio Vista to enable live performances to take place in the Rio Vista building.
Art purchase fund		Monies donated to the Mildura Arts Centre for the purchase of art works.
Rio Vista restoration fund		Heritage funding received for restoration projects to the Rio Vista building.
Mildura Visitor Information Centre Trust		Commission retained by Mildura Visitor Information Centre for accommodation bookings are made.
Rail Freight Alliance		Mildura Rural City Council is holding on trust monies on behalf of the Rail Freight Alliance group of Councils. Council is responsible for paying and receiving monies on behalf of this group.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 26 Provisions**

**Consolidated**

	Employee	Landfill restoration	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
Balance at beginning of the financial year	12,085	15,224	-	27,309
Additional provisions	6,044	566	-	6,610
Amounts used	(6,109)	(543)	-	(6,652)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(270)	-	-	(270)
Balance at the end of the financial year	<b>11,750</b>	<b>15,247</b>	-	<b>26,997</b>
<b>2016</b>				
Balance at beginning of the financial year	11,480	7,631	-	19,111
Additional provisions	5,946	5,218	-	11,164
Amounts used	(5,549)	-	-	(5,549)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	208	2,375	-	2,583
Balance at the end of the financial year	<b>12,085</b>	<b>15,224</b>	-	<b>27,309</b>

**Council**

	Employee	Landfill restoration	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
Balance at beginning of the financial year	11,895	15,224	-	27,119
Additional provisions	5,919	566	-	6,485
Amounts used	(6,010)	(543)	-	(6,553)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(270)	-	-	(270)
Balance at the end of the financial year	<b>11,534</b>	<b>15,247</b>	-	<b>26,781</b>
<b>2016</b>				
Balance at beginning of the financial year	11,336	7,631	-	18,967
Additional provisions	5,823	5,218	-	11,041
Amounts used	(5,472)	-	-	(5,472)
Bond rates	-	-	-	-
Change in the discounted amount arising because of time and the effect of any change in the discount rate	208	2,375	-	2,583
Balance at the end of the financial year	<b>11,895</b>	<b>15,224</b>	-	<b>27,119</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 26 Provisions (cont)**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(a) Employee provisions</b>				
<b>Current provisions expected to be settled within 12 months</b>				
Annual leave	2,732	2,239	2,592	2,122
Long service leave	804	789	804	789
Redundancy	272	156	272	156
Rostered day off and time off in lieu	743	709	743	709
	<b>4,551</b>	<b>3,893</b>	<b>4,411</b>	<b>3,776</b>
<b>Current provisions expected to be settled after 12 months</b>				
Annual leave	1,254	1,949	1,254	1,949
Long service leave	4,852	5,044	4,845	5,037
	<b>6,106</b>	<b>6,993</b>	<b>6,099</b>	<b>6,986</b>
Total current employee provisions	<b>10,657</b>	<b>10,886</b>	<b>10,510</b>	<b>10,762</b>
<b>Non-current</b>				
Long service leave	1,093	1,199	1,024	1,133
Total non-current employee provision	<b>1,093</b>	<b>1,199</b>	<b>1,024</b>	<b>1,133</b>
Aggregate carrying amount of employee provisions:				
Current	10,657	10,886	10,510	10,762
Non-current	1,093	1,199	1,024	1,133
Total aggregate carry amount of employee provision	<b>11,750</b>	<b>12,085</b>	<b>11,534</b>	<b>11,895</b>
The following assumptions were adopted in measuring the present value of employee benefits:				
Weighted average increase in employee costs	3.81%	4.13%	3.81%	4.13%
Weighted average discount rates	2.61%	1.99%	2.61%	1.99%
Weighted average settlement period	12	12	12	12
<b>(b) Landfill restoration</b>				
Under the Environmental Protection Act Council is obligated to restore the Mildura Landfill site to a particular standard. Current projections indicate that the Mildura Landfill site will cease operation in 2048 and restoration work is expected to commence shortly thereafter. The forecast life of the Mildura Landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.				
The following assumptions were adopted in measuring the present value of landfill rehabilitation:				
Projected increase in costs	2.51%	2.25%	2.51%	2.25%
Projected discount rates starting at year 1	1.61%	1.59%	1.61%	1.59%
<b>Non-current</b>				
Landfill restoration	15,247	15,224	15,247	15,224
<b>Total landfill restoration</b>	<b>15,247</b>	<b>15,224</b>	<b>15,247</b>	<b>15,224</b>
<b>Total provisions</b>				
Current	10,657	10,886	10,510	10,762
Non-current	16,340	16,423	16,271	16,357
<b>Total provisions</b>	<b>26,997</b>	<b>27,309</b>	<b>26,781</b>	<b>27,119</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 27 Interest-bearing loans and borrowings</b>				
<b>Current</b>				
Borrowings - secured <sup>(1)</sup>	734	1,470	700	1,449
	<u>734</u>	<u>1,470</u>	<u>700</u>	<u>1,449</u>
<b>Non-current</b>				
Borrowings - secured <sup>(1)</sup>	20,574	18,043	20,471	17,939
	<u>20,574</u>	<u>18,043</u>	<u>20,471</u>	<u>17,939</u>
<b>Total</b>	<u>21,308</u>	<u>19,513</u>	<u>21,171</u>	<u>19,388</u>

(1) Borrowings security is over the General Rates of the Municipal Enterprise as per s148 Local Government Act 1989 (Vic)

The maturity profile for Council's borrowings is:

**Loans - security**

Not later than one year	734	1,470	700	1,449
Later than one year and not later than five years	103	3,661	-	2,977
Later than five years	20,471	14,382	20,471	14,962
	<u>21,308</u>	<u>19,513</u>	<u>21,171</u>	<u>19,388</u>

**Finance leases**

Council had the following obligations under finance leases for the lease of equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):

Not later than one year	-	18	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Minimum lease payments	-	18	-	-
Less: Future finance charges	-	1	-	1
Present Value of minimum lease payments	-	17	-	(1)
<b>Current</b>				
Leases	-	17	-	17
	<u>-</u>	<u>17</u>	<u>-</u>	<u>17</u>
<b>Non-current</b>				
Leases	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total finance leases</b>	<u>-</u>	<u>17</u>	<u>-</u>	<u>17</u>

The finance lease is a Hire Purchase agreement through the National Australia Bank where the risk lies solely with the lessee. The repayment schedule was set at the signing of the agreement and can only be varied where the lessor considers such variations necessary. The title to the goods passes to the lessee upon meeting the payment schedule.

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	734	1,487	700	1,466
Non-current	20,574	18,043	20,471	17,939
<b>Total interest-bearing loans and borrowings</b>	<u>21,308</u>	<u>19,530</u>	<u>21,171</u>	<u>19,405</u>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves

Consolidated

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation by an associate	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserve</b>				
<b>2017</b>				
<b>Property</b>				
Buildings	60,964	(1,681)	-	59,283
Land	17,128	(1,250)	-	15,878
	<b>78,092</b>	<b>(2,931)</b>	-	<b>75,161</b>
<b>Plant and Equipment</b>				
Artwork	14,595	-	-	14,595
	<b>14,595</b>	-	-	<b>14,595</b>
<b>Infrastructure</b>				
Aerodromes	9,594	-	-	9,594
Drainage	45,196	8,678	-	53,874
Footpaths	-	16,247	-	16,247
Kerb and channel	-	22,606	-	22,606
Off street carparks	9,328	(832)	-	8,496
Recreational, leisure and community	46,515	(5,169)	-	41,346
Parks, open spaces and streetscapes	8,686	(5,062)	-	3,624
Roads	195,800	(34,909)	-	160,891
Waste management	49	73	-	122
	<b>315,168</b>	<b>1,632</b>	-	<b>316,800</b>
<b>Water rights</b>				
Water rights	3,171	(131)	-	3,040
	<b>3,171</b>	<b>(131)</b>	-	<b>3,040</b>
<b>Total asset revaluation reserve</b>	<b>411,026</b>	<b>(1,430)</b>	-	<b>409,596</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

Consolidated

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation by an associate	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserve 2016</b>				
<b>Property</b>				
Land	17,128	-	-	17,128
Buildings	60,964	-	-	60,964
	<b>78,092</b>	<b>-</b>	<b>-</b>	<b>78,092</b>
<b>Plant and equipment</b>				
Artwork	14,595	-	-	14,595
	<b>14,595</b>	<b>-</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>				
Aerodromes	9,594	-	-	9,594
Drainage	38,064	7,132	-	45,196
Off street carpark	8,444	884	-	9,328
Recreational, leisure and community Parks, open spaces and streetscapes	31,945	14,570	-	46,515
Roads	6,814	1,872	-	8,686
Roads	191,444	4,356	-	195,800
Waste management	-	49	-	49
	<b>286,305</b>	<b>28,863</b>	<b>-</b>	<b>315,168</b>
<b>Water rights</b>				
Water rights	2,213	958	-	3,171
	<b>2,213</b>	<b>958</b>	<b>-</b>	<b>3,171</b>
<b>Total asset revaluation reserve</b>	<b>381,205</b>	<b>29,821</b>	<b>-</b>	<b>411,026</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

Consolidated	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
<b>Non discretionary reserves</b>				
Apex Park reserve	221	66	(10)	277
Drainage	186	-	-	186
Developer contribution reserve	1,893	980	(720)	2,153
Library book bequest reserve	66	-	-	66
DGR donations reserve - MAC Theatre	113	25	-	138
Merbein Caravan Park reserve	0	33	(15)	18
Lake Cullulleraine Caravan Park reserve	0	9	(9)	-
<b>Total</b>	<b>2,479</b>	<b>1,113</b>	<b>(754)</b>	<b>2,838</b>
<b>Discretionary reserves</b>				
Artwork acquisition reserve	58	30	(42)	46
Landfill redevelopment	7,334	8,246	(11,250)	4,330
Landfill rehabilitation reserve	1,059	165	(633)	591
Primary Care Partnership reserve	314	436	(440)	310
Small towns redevelopment reserve	461	65	(3)	523
Street light pole	8	-	-	8
VGC advance grants reserve	-	7,083	-	7,083
Land acquisition reserve	-	1,462	(249)	1,213
Water transfer proceeds reserve	-	61	-	61
<b>Total</b>	<b>9,234</b>	<b>17,548</b>	<b>(12,617)</b>	<b>14,165</b>
<b>Total other reserves</b>	<b>11,713</b>	<b>18,661</b>	<b>(13,371)</b>	<b>17,003</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

Consolidated

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves (cont)	\$'000	\$'000	\$'000	\$'000
<b>2016</b>				
<i>Non discretionary reserves</i>				
Apex Park reserve	432	90	(301)	221
Drainage	186	-	-	186
Developer contribution reserve	1,025	1,511	(643)	1,893
Library book bequest reserve	99	-	(33)	66
DGR donations reserve - MAC Theatre	109	4	-	113
<b>Total</b>	<b>1,851</b>	<b>1,605</b>	<b>(977)</b>	<b>2,479</b>
<i>Discretionary reserves</i>				
Artwork acquisition reserve	55	30	(27)	58
Asset renewal reserve	-	-	-	-
Landfill redevelopment	6,890	7,869	(7,425)	7,334
Landfill rehabilitation reserve	958	165	(64)	1,059
Primary Care Partnership reserve	119	596	(401)	314
Small towns redevelopment reserve	461	-	-	461
Street light pole	8	-	-	8
VGC advance grants reserve	6,609	-	(6,609)	-
<b>Total</b>	<b>15,100</b>	<b>8,660</b>	<b>(14,526)</b>	<b>9,234</b>
<b>Total other reserves</b>	<b>16,951</b>	<b>10,265</b>	<b>(15,503)</b>	<b>11,713</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

Note 28 Reserves (cont)

Council

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation by an associate	Balance at end of reporting period
(a) Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
<b>Property</b>				
Buildings	60,827	(1,681)	-	59,146
Land	17,128	(1,250)	-	15,878
	<b>77,955</b>	<b>(2,931)</b>	<b>-</b>	<b>75,024</b>
<b>Plant and equipment</b>				
Artwork	14,595	-	-	14,595
	<b>14,595</b>	<b>-</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>				
Aerodromes	9,594	-	-	9,594
Drainage	45,196	8,678	-	53,874
Footpaths	-	16,247	-	16,247
Kerb and channel	-	22,606	-	22,606
Off street carpark	9,328	(832)	-	8,496
Recreational, leisure and community	46,515	(5,169)	-	41,346
Parks, open spaces and streetscapes	8,686	(5,062)	-	3,624
Roads	195,800	(34,909)	-	160,891
Waste management	49	73	-	122
	<b>315,168</b>	<b>1,632</b>	<b>-</b>	<b>316,800</b>
<b>Water rights</b>				
Water rights	3,171	(131)	-	3,040
	<b>3,171</b>	<b>(131)</b>	<b>-</b>	<b>3,040</b>
<b>Total asset revaluation reserve</b>	<b>410,889</b>	<b>(1,430)</b>	<b>-</b>	<b>409,459</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

Note 28 Reserves (cont)

Council

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation by an associate	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserve 2016</b>				
<b>Property</b>				
Buildings	60,827	-	-	60,827
Land	17,128	-	-	17,128
	<b>77,955</b>	<b>-</b>	<b>-</b>	<b>77,955</b>
<b>Plant and equipment</b>				
Artwork	14,595	-	-	14,595
	<b>14,595</b>	<b>-</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>				
Aerodromes	9,594	-	-	9,594
Drainage	38,064	7,132	-	45,196
Off street carpark	8,444	884	-	9,328
Recreational, leisure and community	31,945	14,570	-	46,515
Parks, open spaces and streetscapes	6,814	1,872	-	8,686
Roads	191,444	4,356	-	195,800
Waste management	-	49	-	49
	<b>286,305</b>	<b>28,863</b>	<b>-</b>	<b>315,168</b>
<b>Water rights</b>				
Water rights	2,213	958	-	3,171
	<b>2,213</b>	<b>958</b>	<b>-</b>	<b>3,171</b>
<b>Total asset revaluation reserve</b>	<b>381,068</b>	<b>29,821</b>	<b>-</b>	<b>410,889</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

Note 28 Reserves (cont)

Council	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
<b>Non discretionary reserves</b>				
Apex Park reserve	221	66	(10)	277
Drainage	186	-	-	186
Developer contribution reserve	1,893	980	(720)	2,153
Library book bequest reserve	74	-	-	74
DGR donations reserve - MAC Theatre	113	25	-	138
Merbein Caravan Park reserve	-	33	(15)	18
Lake Cullulleraine Caravan Park reserve	-	9	(9)	-
<b>Total</b>	<b>2,487</b>	<b>1,113</b>	<b>(754)</b>	<b>2,846</b>
<b>Discretionary reserves</b>				
Artwork acquisition reserve	58	30	(42)	46
Landfill redevelopment	7,334	8,246	(11,250)	4,330
Landfill rehabilitation reserve	1,059	165	(633)	591
Primary Care Partnership reserve	314	436	(440)	310
Small towns redevelopment reserve	461	65	(3)	523
Street light pole	8	-	-	8
VGC advance grants reserve	-	7,083	-	7,083
Land acquisition reserve	-	1,462	(249)	1,213
Water transfer proceeds reserve	-	61	-	61
<b>Total</b>	<b>9,234</b>	<b>17,548</b>	<b>(12,617)</b>	<b>14,165</b>
<b>Total other reserves</b>	<b>11,721</b>	<b>18,661</b>	<b>(13,371)</b>	<b>17,011</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

Note 28 Reserves (cont)

Council	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves (cont.)	\$'000	\$'000	\$'000	\$'000
<b>2016</b>				
<b>Non discretionary reserves</b>				
Apex Park reserve	432	90	(301)	221
Drainage	186	-	-	186
Developer contribution reserve	1,025	1,511	(643)	1,893
Library book bequest reserve	107	-	(33)	74
DGR donations reserve - MAC Theatre	109	4	-	113
<b>Total</b>	<b>1,859</b>	<b>1,605</b>	<b>(977)</b>	<b>2,487</b>
<b>Discretionary reserves</b>				
Artwork acquisition reserve	55	30	(27)	58
Landfill redevelopment	6,890	7,869	(7,425)	7,334
Landfill rehabilitation reserve	958	165	(64)	1,059
Primary Care Partnership reserve	119	596	(401)	314
Small towns redevelopment reserve	461	-	-	461
Street light pole	8	-	-	8
VGC advance grants reserve	6,609	-	(6,609)	-
<b>Total</b>	<b>15,100</b>	<b>8,660</b>	<b>(14,526)</b>	<b>9,234</b>
<b>Total other reserves</b>	<b>16,959</b>	<b>10,265</b>	<b>(15,503)</b>	<b>11,721</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 28 Reserves (cont)**

<b>Name of Reserve</b>	<b>Nature and Purpose</b>
<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 E.P.A. grant, 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.
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 Victorian Grants Commissions funds 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.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

Note 28 Reserves (cont)

Council	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation by an associate	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>(c) Financial assets revaluation</b>				
<b>2017</b>				
Interest in Mildura Airport Pty Ltd	13,683	11,743	-	25,426
	<b>13,683</b>	<b>11,743</b>	<b>-</b>	<b>25,426</b>
<b>Total financial assets revaluation</b>	<b>13,683</b>	<b>11,743</b>	<b>-</b>	<b>25,426</b>
<b>2016</b>				
Interest in Mildura Airport Pty Ltd	13,109	574	-	13,683
	<b>13,109</b>	<b>574</b>	<b>-</b>	<b>13,683</b>
<b>Total financial assets revaluation</b>	<b>13,109</b>	<b>574</b>	<b>-</b>	<b>13,683</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 29 Reconciliation of cash flows from operating activities to surplus (deficit)</b>				
Surplus for the year	32,504	7,443	20,761	6,869
Depreciation/amortisation	19,758	18,896	18,849	17,985
(Profit)/loss on disposal of property, plant and equipment, infrastructure	1,850	5,642	1,846	5,642
Impairment losses	4	-	-	-
Gain/(loss) on recognition of non current assets	(5,861)	(1,144)	(5,861)	(1,144)
Contributions - non-monetary assets	(2,596)	(4,197)	(2,596)	(4,197)
Interest expense	1,229	1,271	1,208	1,268
Revaluation of financial asset	-	(16)	-	(16)
Accrued expenses on capital purchases	(7,134)	-	-	-
(Increase)/decrease in landfill provision discount amount	568	2,375	568	2,375
<b>Change in assets and liabilities:</b>				
(Increase)/decrease in trade and other receivables	(1,889)	(659)	(4,886)	(358)
(Increase)/decrease in prepayments	249	(279)	229	(279)
Increase/(decrease) in trust fund deposits	(295)	449	(294)	440
Increase/(decrease) in trade and other payables	6,602	1,963	2,153	2,000
(Increase)/decrease in inventories	122	30	110	52
Increase/(decrease) in provisions	(335)	605	(361)	559
Net cash provided by operating activities	<b>44,776</b>	<b>32,379</b>	<b>31,726</b>	<b>31,196</b>
<b>Note 30 Financing arrangements</b>				
Bank overdraft	-	-	-	-
Credit card facility	800	800	800	800
	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>
Used facilities	-	(119)	-	(119)
Unused facilities	<b>800</b>	<b>681</b>	<b>800</b>	<b>681</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 31 Commitments**

The Council has entered into the following commitments

**Consolidated**

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2017</b>					
<b>Operating</b>					
Swimming pool management	1,124	284	-	-	1,408
Telecommunications	473	208	-	-	681
Waste management	3,120	1,724	5,026	1,407	11,277
Cleaning services	369	-	-	-	369
Security services	355	-	-	-	355
Project design	458	-	-	-	458
Other	3,122	269	97	-	3,488
<b>Total</b>	<b>9,021</b>	<b>2,485</b>	<b>5,123</b>	<b>1,407</b>	<b>18,036</b>
<b>Capital</b>					
Airport	12,149	-	-	-	12,149
Fixtures, fittings and furniture	44	-	-	-	44
Buildings	624	-	-	-	624
Library books and artworks	179	-	-	-	179
Land	63	-	-	-	63
Waste management	432	-	-	-	432
Plant machinery and equipment	2,162	-	-	-	2,162
Roads	575	-	-	-	575
Drainage	963	-	-	-	963
Carparks	19	-	-	-	19
Footpaths	6	-	-	-	6
Parks, open spaces and streetscapes	638	-	-	-	638
Recreational, leisure and community	852	-	-	-	852
<b>Total</b>	<b>18,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,706</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 31 Commitments (cont)

Consolidated

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2016</b>					
<b>Operating</b>					
Swimming pool management	1,124	1,136	-	-	2,260
Telecommunications	624	144	-	-	768
Waste management	3,174	1,712	5,128	3,145	13,159
Cleaning services	369	-	-	-	369
Security services	365	-	-	-	365
Project design	697	-	-	-	697
Other	2,545	199	96	-	2,840
<b>Total</b>	<b>8,898</b>	<b>3,191</b>	<b>5,224</b>	<b>3,145</b>	<b>20,458</b>
<b>Capital</b>					
Building construction	2,634	-	-	-	2,634
Design and project management	919	-	-	-	919
Other	312	-	-	-	312
Recreation	2,069	-	-	-	2,069
Roadworks	444	-	-	-	444
Drainage	476	-	-	-	476
Plant and equipment	606	-	-	-	606
Waste management	2,246	-	-	-	2,246
<b>Total</b>	<b>9,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,706</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 31 Commitments (cont)**

The Council has entered into the following commitments

**Council**

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2017</b>					
<b>Operating</b>					
Swimming pool management	1,124	284	-	-	1,408
Telecommunications	473	208	-	-	681
Waste management	3,120	1,724	5,026	1,407	11,277
Cleaning services	369	-	-	-	369
Security services	355	-	-	-	355
Project design	458	-	-	-	458
Other	3,122	269	97	-	3,488
<b>Total</b>	<b>9,021</b>	<b>2,485</b>	<b>5,123</b>	<b>1,407</b>	<b>18,036</b>
<b>Capital</b>					
Airport	-	-	-	-	-
Fixtures, fittings and furniture	44	-	-	-	44
Buildings	624	-	-	-	624
Library books and artworks	179	-	-	-	179
Land	63	-	-	-	63
Waste management	432	-	-	-	432
Plant machinery and equipment	2,162	-	-	-	2,162
Roads	575	-	-	-	575
Drainage	963	-	-	-	963
Carparks	19	-	-	-	19
Footpaths	6	-	-	-	6
Parks, open spaces and streetscapes	638	-	-	-	638
Recreational, leisure and community	852	-	-	-	852
<b>Total</b>	<b>6,557</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,557</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 31 Commitments (cont)

Council

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2016</b>					
<b>Operating</b>					
Swimming pool management	1,124	1,136	-	-	2,260
Telecommunications	624	144	-	-	768
Waste management	3,174	1,712	5,128	3,145	13,159
Cleaning services	369	-	-	-	369
Security services	365	-	-	-	365
Project design	697	-	-	-	697
Other	2,545	199	96	-	2,840
<b>Total</b>	<b>8,898</b>	<b>3,191</b>	<b>5,224</b>	<b>3,145</b>	<b>20,458</b>
<b>Capital</b>					
Building construction	2,634	-	-	-	2,634
Design and project management	919	-	-	-	919
Other	312	-	-	-	312
Recreation	2,069	-	-	-	2,069
Roadworks	444	-	-	-	444
Drainage	476	-	-	-	476
Plant and equipment	606	-	-	-	606
Waste management	2,246	-	-	-	2,246
<b>Total</b>	<b>9,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,706</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

Consolidated		Council	
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000

**Note 32 Operating leases**

**(a) Operating lease commitments**

At the reporting date, the Council had the no obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities).

**(b) Operating lease receivables**

The Council has entered into commercial property leases on its property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	570	497	294	232
Later than one year and not later than five years	1,572	1,324	745	656
Later than five years	1,202	1,023	549	576
	<u>3,344</u>	<u>2,844</u>	<u>1,588</u>	<u>1,464</u>

### Notes to the Financial Report For the Year Ended 30 June 2017

#### Note 33 Superannuation

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

#### Accumulation

The Fund's accumulation categories, Vision MySuper/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 2017, this was 9.5% as required under Superannuation Guarantee legislation).

#### Defined Benefit

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

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

#### Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2016, 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 102.0%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.0% pa  
Salary information 4.25% pa  
Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim 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.

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 33 Superannuation (cont)

#### Employer Contributions

##### Regular Contributions

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

##### 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.

##### 2017 Full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

##### Future superannuation contributions

In addition to the disclosed contributions, there were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2017.

### Note 34 Contingent liabilities and contingent assets

#### Contingent liabilities

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 outlined in Note 33. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

#### Guarantees for loans to other entities

Guarantees by Council to financial institutions over loans taken out by sporting clubs and community organisations within the municipality and performance guarantees for construction contracts amounting to \$251,836 (2016: \$251,836)

#### Contingent assets

Developer contributions projected to be received in respect to residential subdivisions currently under development.

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 35 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 Note 1 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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures 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. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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

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

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

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

#### (c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. Council have exposure to credit risk on some financial assets included in our balance sheet. 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 our 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 34.

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.

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 35 Financial instruments (cont)**

**(d) Liquidity risk**

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we 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 we:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 34, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

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

**(e) Fair value**

*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.

**(f) Sensitivity disclosure analysis**

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

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 1.50%.

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

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 36 Related party disclosures**

**(i) Related Parties**

*Parent entity*

Mildura Rural City Council is the parent entity.

*Subsidiaries and Associates*

Mildura Airport Pty Ltd is a fully consolidated subsidiary and forms part of Mildura Rural City Council financial statements

**(ii) 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:

<b>Councillors</b>		
	Glenn Milne (Mayor)	1/07/2016 to 30/06/2017
	Max Thorburn	1/07/2016 to 30/06/2017
	Mark Eckel	1/07/2016 to 30/06/2017
	Ali Cupper	1/07/2016 to 30/06/2017
	Greg Brown	1/07/2016 to 30/06/2017
	Simon Clemence	10/11/2016 to 30/06/2017
	Anthony Cirillo	10/11/2016 to 30/06/2017
	Min Poole	10/11/2016 to 30/06/2017
	Jason Modica	10/11/2016 to 30/06/2017
	Sharyon Peart	1/07/2016 to 25/10/2016
	John Arnold	1/07/2016 to 25/10/2016
	Judi Harris	1/07/2016 to 25/10/2016
	Jill Joslyn	1/07/2016 to 25/10/2016

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
<b>Total Number of Councillors</b>	13	9
<b>Chief Executive Officer and other Key Management Personnel</b>	5	1
<b>Total Key Management Personnel</b>	<u>18</u>	<u>10</u>

**(iii) Remuneration of Key Management Personnel**

Total remuneration of key management personnel was as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term benefits	1,279	609
Long-term benefits	109	-
Termination benefits	58	-
<b>Total</b>	<u>1,446</u>	<u>609</u>

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
\$1 - \$ 9,999	4	-
\$20,000 - \$29,999	8	8
\$80,000 - \$89,999	1	1
\$90,000 - \$99,999	1	-
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	2	-
\$280,000 - \$299,999	-	1
\$300,000 - \$309,999	1	-
	<u>18</u>	<u>10</u>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 36 Related party transactions (cont)**

<b>(iv) Transactions with related parties</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
During the period Council entered into the following transactions with related parties.		
Employee expenses for close family members of key management personnel *	41	-
	<u>41</u>	<u>-</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 661 staff of which only 1 is a close family member of key management personnel.

- (v) 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.
- (vi) Loans to/from related parties**  
Council does not make loans to or receive loans from related parties. No guarantees have been provided.
- (vii) Commitments to/from related parties**  
Council has no outstanding commitments to/from other related parties

**Note 37 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) who total annual remuneration exceeds \$142,000

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

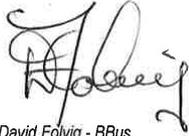
Income Range:	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
\$139,000 - \$139,990	-	2
\$140,000 - \$149,999	-	2
\$150,000 - \$159,999	1	2
\$160,000 - \$169,999	4	9
\$170,000 - \$179,999	7	2
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	-	1
\$220,000 - \$229,999	1	-
\$240,000 - \$249,999	-	1
\$260,000 - \$269,999	-	1
	<u>14</u>	<u>22</u>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	2,447	3,839

**Note 38 Events occurring after balance date**

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

### Certification of the Financial Report

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



David Folvig - BBus  
Principal Accounting Officer

Date: 27 September 2017  
Mildura

In our opinion the accompanying financial statements present fairly the financial transactions of Mildura Rural City Council for the year ended 30 June 2017 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.



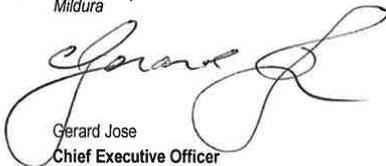
Cr Glenn Milne  
Councillor

Dated: 27 September 2017  
Mildura



Cr Jason Modica  
Councillor

Dated: 27 September 2017  
Mildura



Gerard Jose  
Chief Executive Officer

Dated: 27 September 2017  
Mildura

## Independent Auditor's Report

### To the Councillors of Mildura Rural City Council

<b>Opinion</b>	<p>I have audited the financial report of Mildura Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2017</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• statement of capital works for the year then ended</li> <li>• notes to the financial statements, including a summary of significant accounting policies</li> <li>• certification of the financial report.</li> </ul> <p>The financial report is the consolidated financial statements of the consolidated entity, comprising the Mildura Rural City Council and the entities it controlled at the year's end or from time to time during the year as disclosed in note 1(c) to the consolidated financial statements.</p> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 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. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. 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's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

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

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MELBOURNE  
27 September 2017



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*

## Part 3: Performance Statement

# Mildura Rural City Council

## Performance Statement

For the year ended 30 June 2017

## Performance Statement

For the year ended 30 June 2017

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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 council covers an area of 22,330 square kilometres, making it the largest in Victoria and has an estimated resident population of 53,326<sup>1</sup> which is projected to grow to 59,400 by the year 2031<sup>2</sup>.

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<sup>1</sup> Australian Bureau of Statistics Catalogue 3218.0 Regional Population Growth, Australia - *Population Estimates by Local Government Area (Estimated Resident Population as at 30 June 2016)*.

<sup>2</sup> Department of Environment, Land, Water and Planning (DELWP) - *Victoria in Future 2016*

## Sustainable Capacity Indicators

For the year ended 30 June 2017

Indicator/measure	Results			Material Variations
	2015	2016	2017	
<b>Population</b> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,705.05	\$1,854.62*	\$1,969.85	Council expenditure in 2016/17 and again in 2017/18 will be influenced by being the auspice body for grant funding for Mildura Airport Pty Ltd (MAPL). Federal and State grants are being received for the Airport Runway reconstruction project and then on paid by Council to MAPL.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$11,439.02	\$12,354.94	\$12,125.67	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	10.32	10.31	10.45	
<b>Own-source revenue</b> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,329.17	\$1,449.51*	\$1,556.39	Own source revenue has increased indicating Council is easing the burden on our rating effort by increasing alternative income sources.
<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$530.62	\$334.17	\$559.42	This indicator is volatile due to the inconsistency with payment of our Victorian Grants Commission funding. This had the effect of inflating the results in 2014/15 and again this year but had the effect of decreasing the result in 2015/16.
<b>Disadvantage</b> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3.00	1.00	1.00	

\*The 2015-16 result for this indicator has been updated to ensure consistency between Council's Annual Report and the Know Your Council Website

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**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.

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## Service Performance Indicators

For the year ended 30 June 2017

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
<b>Aquatic facilities</b>				
<i>Utilisation of aquatic facilities</i>				
[Number of visits to aquatic facilities / Municipal population]	9.71	9.60	8.72	
<b>Animal management</b>				
<i>Health and safety</i>				
<i>Animal management prosecutions</i>				
[Number of successful animal management prosecutions]	0.00	0.00	1.00	There was only one prosecution in 2016/17. It is rare for Council to prosecute as our preference is to work through situations and only progress to legal action as a last resort.
<b>Food safety</b>				
<i>Health and safety</i>				
<i>Critical and major non-compliance notifications</i>				
[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	74.00%	91.53%	87.50%	
<b>Governance</b>				
<i>Satisfaction</i>				
<i>Satisfaction with council decisions</i>				
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54.00	51.00	56.00	Mildura Rural City Councils result improved 5-points when compared to last year (51) and is 4-points higher than the Regional Centres group average (52) and 2-points higher than the State average (54). Specific reasons for the improvement are not known however possible contributing factors are that Municipal Elections occurred in October 2016 with four new Councillors being elected by the community. Council also responded and assisted the community after a major storm event that occurred in November 2016 and prepared for a river flood event in the November and December 2016 period.

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
<b>Home and community care</b>				
<b>Participation</b>				
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	31.00%	22.23%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Governments NDIS and CHSP programs
<b>Participation</b>				
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	33.00%	33.16%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Governments NDIS and CHSP programs
<b>Libraries</b>				
<b>Participation</b>				
<i>Active library members</i> [Number of active library members / Municipal population] x100	19.00%	18.02%	12.93%	From 1 July 2016 the Library Service used a new statistical package called BC Analytics that allowed the Active User figure to be narrowed down to more specific activities of the User such as those that borrowed a library collection item. This system is now used by all SWIFT library members. Previously activities other than loans were counted in previous years such as use of computers.
<b>Maternal and child health</b>				
<b>Participation</b>				
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	77.00%	77.39%	77.61%	
<b>Participation</b>				
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	44.00%	51.47%	55.53%	

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
<b>Roads</b>				
<b>Satisfaction</b>				
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	58.00	54.00	56.00	
<b>Statutory Planning</b>				
<b>Decision making</b>				
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	82.00%	66.67%	85.71%	Positive outcome achieved, however the raw data puts the result into perspective. In 2015/16 VCAT upheld 4 out of 6 Council decisions compared to 6 out of 7 in 2016/17.
<b>Waste Collection</b>				
<b>Waste diversion</b>				
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	33.00%	32.99%	32.90%	

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**Definitions**

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"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*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"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

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"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.

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## Financial Performance Indicators

For the year ended 30 June 2017

Dimension/ <i>indicator/measure</i>	Results			Forecasts			Material Variations
	2015	2016	2017	2018	2019	2020	
<b>Efficiency</b>							
<b>Revenue level</b>							
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,436.85	\$1,376.88	\$1,554.70	\$1,584.65	\$1,640.30	\$1,701.70	\$1,691.58
							Council has been able to keep its rating effort in line with the State Government rate cap of 2.5%, whilst still maintaining the quality of its services.
<b>Expenditure level</b>							
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,225.00	\$3,195.90	\$3,706.31	\$3,732.72	\$3,539.00	\$3,650.10	\$3,650.93
							Council expenditure in 2016/17 and again in 2017/18 will be influenced by being the auspice body for grant funding for Mildura Airport Pty Ltd (MAPL). Federal and State grants are being received for the Airport Runway reconstruction project and then on paid by Council to MAPL.
<b>Workforce turnover</b>							
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.06%	11.35%	12.42%	12.56%	12.56%	12.56%	12.56%
<b>Liquidity</b>							
<b>Working capital</b>							
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	263.14%	250.65%	267.42%	136.78%	140.42%	142.62%	132.57%

Dimension/indicator/measure	Results					Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021			
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	123.05%	119.21%	113.16%	27.25%	31.56%	35.91%	36.69%	This indicator varies from actual to our future forecast due to the timing of the completion of our capital works program. Our 2017/18 forecast and budgets for the full completion and spending of our capital works budgets.		
<b>Obligations</b> <b>Asset renewal</b> <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	79.67%	78.11%	80.69%	88.13%	88.30%	89.94%	89.86%			
<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	35.93%	31.41%	32.92%	29.95%	27.78%	25.28%	22.84%			
<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	5.31%	5.17%	7.11%	2.82%	2.84%	3.06%	2.96%	Loans and borrowings increased in 2016/17 due to borrowing on behalf of the Mildura Airport Pty Ltd for the Mildura Airport Runway project. The borrowing was offset by a receivable to the Mildura Airport Pty Ltd.		
<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	39.88%	48.17%	43.27%	45.57%	42.47%	39.39%	35.42%	This indicator includes borrowings as well as our landfill provision which is in line with our Rehabilitation and Aftercare Management Plan.		

Dimension/indicator/measure	Results			Forecasts			Material Variations	
	2015	2016	2017	2018	2019	2020		2021
<b>Operating position</b> <b>Adjusted underlying result</b> Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	9.52%	-3.26%	10.84%	-6.39%	0.27%	0.17%	-0.26%	The underlying surplus is due to the forward payment of our Victorian Grants Commission payment from 2017/18 into the 2016/17 financial year of \$7.08M. A steady financial performance was expected over the period, indicating that we are achieving balanced budgets and not putting undue pressure on our cash reserves.
<b>Stability</b> <b>Rates concentration</b> Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	59.40%	68.82%	53.35%	64.86%	66.29%	66.65%	67.00%	This indicator is volatile due to the inconsistency with payment of our Victorian Grants Commission funding. This had the effect of inflating the results in 2014/15 and again this year but had the effect of decreasing the result in 2015/16.
<b>Rates effort</b> Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.84%	0.85%	0.81%	0.83%	0.84%	0.86%	0.88%	

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**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.

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## Other Information

For the year ended 30 June 2017

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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).

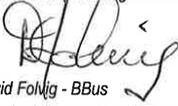
The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material 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 22 June 2017 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 statements has 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.



David Folwig - BBus  
Principal Accounting Officer

Dated: 27 September 2017  
Mildura

In our opinion, the accompanying performance statement of the Mildura Rural City Council for the year ended 30 June 2017 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.

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 performance statements in their final form.



Cr Glenn Milne  
Councillor

Dated: 27 September 2017  
Mildura



Cr Jason Modica  
Councillor

Dated: 27 September 2017  
Mildura



Gerard Jose  
Chief Executive Officer

Date : 27 September 2017  
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 2017</li> <li>• sustainable capacity indicators for the year ended 30 June 2017</li> <li>• service performance indicators for the year ended 30 June 2017</li> <li>• financial performance indicators for the year ended 30 June 2017</li> <li>• other information and</li> <li>• the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement of Mildura Rural City Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, 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. My responsibilities under the Act are further described 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 Australia 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 is 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>

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

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

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 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 our 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 statement of performance, including the disclosures, and whether the statement of performance 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  
27 September 2017



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*